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PROBLEMS IN THE ADMINISTRATION OF FOREIGN AFFAIRS*

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INTERNATIONAL affairs are by nature shared. The methods by which nations conduct them are likely to be more similar than domestic activities. Nevertheless the administration of foreign policy in any country is affected by its constitutional framework and conventions on the one hand and on the other by its history and its position in the world. This fact limits the value of the examples that I shall largely draw from the recent experience of the United States.

I

It is appropriate to begin by a canvass of new elements in the administration of foreign affairs. The old elements, still the core of the system, have had three aspects. The relations have been from country to country; they have involved representation, reporting, and negotiation. Within each country, the handling of these relations has centered in "country desks" (as they are called informally in the United States), grouped regionally within the ministry for external affairs. Abroad, permanent missions with career staffs have been maintained for the traditional diplomatic and consular purposes. Upon these old elements has come the impact of changes in the content and methods of international relations.

From the standpoint of the content of foreign affairs it is enough to mention six respects in which their scope has widened.

First, on the economic side, the needs for analysis and action go far beyond the older activities of a trade-seeking and consular nature. When peace prevails, these needs are likely to be the predominating element in the substance of foreign policy. They frequently require multilateral negotiations, as in commodity agreements.

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The lead must often be taken by foreign affairs officers who are technically skilled in economics. At the same time the matters at stake are likely to involve many parts of the government including ministries that are primarily concerned with domestic objectives. This fact increases the importance of equipping the ministry of external affairs for the task of projecting and safeguarding the country's foreign policy.

A second new element is the change in the content of foreign affairs that accompanies the multilateral "council diplomacy" of the United Nations, its twelve member organisations, and other bodies. They have created new arenas for continuous as well as intermittent negotiation.

A third factor is the need to deal with regional associations of states, sometimes defensive alliances, sometimes functional economic unions like the European Coal and Steel Community and the Common Market, sometimes developmental auspices or movements like ECAFE and the Colombo Plan.

Fourthly, the involvement of the government in many countries as a channel for the international flow of investment and of technical skills has created a new major aspect of foreign policy, regardless of the country's position in the interchange.

A fifth effect upon the content of foreign policy arises from the fact that, for certain countries, the belief in the need to maintain potential military power for an indefinite period in association with other countries, at time when the technologies of violence are being revolutionised, has so increased the importance of bringing together the political, economic, military, and moral considerations that this synthesis is virtually a new dimension in contemporary foreign policy.

Finally, we must note the ways in which informational and cultural activities are being enlarged as essential phases of foreign policy : first, because, in an age of popular ferment and democratic government, accurate political reporting requires acute and prescient attention to public opinion; second, because increased care must be given to the ways in which a nation's policies can be presented so that they will be understood by other peoples; third, because the official statements of a nation's intentions are properly understood by other peoples only if they have valid impressions about the people whose government makes these statements. Therefore governments concern themselves with the international flow of words, images, and persons which creates these impressions and believe that as governments they must play some direct although supplementary role in this movement of words, images, and persons.

Having mentioned the factors that have enlarged the content of foreign policy, we may comment on certain new methods by which it is conducted.

The first change to note is the massive, continuous involvement of legislative bodies in connection with the costly military and economic programmes concerned with foreign affairs. This involvement is likely to be novel and strained. It makes executive-legislative relations increasingly sensitive as well as crucial. It involves the voting public, through the legislative body, in sustaining the burdens of expenditure, taxation, and compulsory military service, seemingly without end. Such burdens are more readily borne when the popular mood is one of anxiety and determination. The risk is inertia, not of rest but of motion. This condition may lessen the ability of those in charge of foreign policy to maneuver in their negotiations because even a tactical shift may seem to be a surrender.

A second change of method arises from the ease and speed of travel. They invite an increase of "conference diplomacy" (as Lord Hankey once called it), whether in the form of meetings of foreign ministers or of heads of states. Unless carefully used, such methods may not only undermine the roles of diplomatic representatives abroad; they may also by-pass the foreign office experts at home. Moreover, in this day of instant, world-wide publicity, impracticable expectations may be created which only forehanded skill can avoid.

A third change of method is the demand for more specialisation in foreign services. It puts severe strains upon career systems which have stressed the importance of recruiting and developing generalists who are suited for eventual promotion to high diplomatic posts and which, at the same time, wish to be the vehicles for the foreign relations of the whole government.

A fourth change of method in many countries has been the increased awareness of the uses of research in the form of the fact-gathering, inferential sort of analysis called "intelligence". It raises the problem of how to connect research of this kind with the action-taking parts of a foreign affairs ministry.

A fifth change arises from the recognition of the need to look ahead by identifying emergent issues and by surveying the alternative answers and their probable consequences. The hope that current policy decisions can be aided in this way raises the perennial question of how thought can be related to action, in the context of equipping a ministry of external affairs to engage in forward planning.

Finally, an aspect of changing method in the conduct of foreign affairs is the growing importance of administration. This fact is due

partly to the greater size of foreign offices and foreign services. It is due even more to the diversity of things that must be harmonised in the conduct of international affairs. It also results from the extent to which the widening content of foreign policy has drawn many foreign offices and foreign services into the management of programmes. The new interest has been additionally notable because in the past those who dealt with international affairs have had little sympathy for administration.

II

In the case of the United States, understandable difficulties have beset its methods of conducting foreign policy as the country moved from relative isolation, broken by brief interventions, into full and permanent participation in world affairs. During its infancy as a nation, the United States, which was helped in gaining its independence by the coincidence of a European war, was vividly aware of European politics and international matters. More than one of the early Presidents had been Secretary of State and had prior diplomatic experience. Only after the 1820s did the country's attention turn so exclusively inward as it completed its development across the North American continent. In these years were shaped many attitudes and bodies of statutory policy. Throughout a strong preference was shown for unilateral action: that is, stands taken alone if taken at all. Thus the "open door in the Far East" at the turn of the century, although it involved the major powers of the time and had far-reaching implications, was put forth in letters by the American Secretary of State, John Hay. Earlier the Monroe Doctrine had been announced unilaterally. The British foreign minister, Canning, had indeed raised the possibility of a joint statement with the United States, in order to lessen the risk that the Holy Alliance (formed after the Congress of Vienna) might attempt to aid Spain in the recovery of her revolted colonies in South and Central America. Canning even boasted later that he had called the New World into existence to redress the disturbed balance of power in the Old World, that is, Europe. The United States preferred to speak by itself. The doctrine appeared as a few sentences written by Secretary of State Adams and inserted in President Monroe's regular message to Congress.

In passing, the mention of the British foreign secretary's boast brings to mind a quaint historical error by a member of Congress some years ago. I noted it because it seemed to express a good deal of American thinking as it carried over from the nineteenth century-thinking that was almost incredibly naive and yet not wanting in traces

of uninformed nobility. The Congressman solemnly told his colleagues that the British foreign minister, Canning, "had once electrified the House of Commons in dynamic debate by declaring that God had called the New World into existence to redress the wrongs of the old."

In American foreign affairs as a whole, the wider involvement of Congress has brought changes and some unresolved problems. No longer are foreign affairs the concern mainly of the Senate in approving treaties and confirming diplomatic appointments. Both houses are involved and several sets of powerful standing committees: on foreign relations and foreign affairs; on appropriations (which are handled separately from the authorising legislation); on the armed services; on atomic energy, for which there is a special joint committee; on domestic matters that cut deeply into foreign affairs; and finally on investigations. Progress has indeed been made in the mechanics of executive-legislative contacts, including bipartisan sub-groups from the Senate and House main committees who confer regularly with State Department officials. It cannot be said that Congress has failed to support the expensive defence programmes. At times, impatient Congressional leaders, anxious about the country's international position, have attacked the President's requests as unduly circumscribed by economic and budgetary scruples. Foreign aid, in all of its phases, has not always fared so well. In 1959 the President requested 4.4 billion dollars; 3.2 billions were finally appropriated.

Especially regrettable is the fact that the much-discussed need of a more continuous basis for developmental economic aid remains largely unrealised. A promising step was taken two years ago in the establishment of the Development Loan Fund. Yet in the spring of 1959 it seemed that the Administration would wait in vain for the chairman of the House Appropriations sub-committee to call his group together to consider the request for a supplemental appropriation that would keep the new operations of the Fund from coming to a halt. In the appropriations for the Development Loan Fund in the fiscal year that runs to July 1960, Congress did authorise all that the Administration requested—700 million dollars—but only 550 millions were appropriated, an even severer cut than in the grant for technical assistance. The Development Loan Fund is important in itself; I mention it, however, because it is still more important as an emblem of a possible major shift of emphasis to methods which are less spasmodic, less vexatiously unpredictable from the standpoint of collaborating countries, and more adapted to long-run investment and development. The *London Economist*, commenting on Congressional action regarding foreign aid in 1959, remarked: "One chief regret must be that the Development Loan Fund lost what may have been its last

chance to be put on a genuine, long-term basis." I prefer to call it an incomplete step toward the improved conduct of American foreign affairs. Such steps are taken with difficulty in the face of the year-by-year methods that are the tendency of legislative bodies in these matters.

Partly because of the strains put upon the United States in accommodating its international thinking and its methods of handling foreign policy to new conditions in the world, closer attention has been given to the machinery of foreign affairs. In the past, apart from the study of international law and of problems of policy in international relations (largely pursued historically), methodological inquiry tended to deal either with diplomatic usage or with treaty-making. Pre-occupation with the latter problem arose in part from the failure of certain proposed treaties to receive the required two-thirds vote in the Senate, both at earlier times (as when Secretary John Hay wrote about the matter in a tone of utter defeat) and especially when the Senate rejected the League of Nations. Since World War II, however, the earlier concern about the Senate's obstruction of treaties has been dissipated by the ready, non-partisan acceptance of the United Nations, the NATO Treaty, and others. Ironically, so far as anxiety about treaty-making survives, it appears in reverse. The recent agitation has come from the other side; some "neo-isolationists" and others fear that the treaty-making process is easy and too wide in scope. Happily, the attempts to restrict it by constitutional amendment, though waged vigorously for a time after 1950, have thus far failed and are likely to fail. They have had some dampening effects upon the Administration, as shown in its promise to be careful in the use of executive agreements as a substitute for treaties and in its retreat from international action on human rights. These legal questions are largely by-passed by the present interest in the machinery by which national states participate in international affairs. It is beginning to apply the concepts and methods of behavioural analysis to decision-making in foreign policy. As applied to foreign affairs, the study of administration overflows even the broadest meanings of management. Above all, it is concerned with the better handling of the interdependent elements in a nation's foreign policy.

III

In tracing the adaptive responses to the novel conditions I have listed, I shall begin with a problem of co-ordination that is perhaps peculiar to the United States, partly because of the limited role of the President's cabinet and its lack in the past of even a planned agenda and a secretariat.

The establishment of the National Security Council in 1947 was the culmination of earlier informal relations between the Department of State and the armed services. The law directs the Council to assess "the objectives, commitments, and risks of the United States in relation to our active and potential military power." The Council's synthesising task includes the duty, in the words of the statute, "to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security." The Council is advisory to the President. Its confidential statements become policy only when signed by him.

The National Security Council is in effect a cabinet committee with a special statutory basis. Its weekly meetings (at which the President presides as often as possible) bring together the heads of the ministries concerned with external affairs, defence, finance, economic mobilisation for defence, the chairman of the Joint Chiefs of Staff, the head of the Central Intelligence Agency, and others as suits the matter under discussion. The preparatory work for the Council's meetings is performed in part by its own small staff but mostly by a planning body that consists of high officials in the several ministries and agencies, assigned to the work. This body is presided over by a Special Assistant to the President for International Security Affairs. A supplementary mechanism called the Operations Coordinating Board was created by executive order in 1954 "to provide for the integrated implementation of national security policies." Its chairman is the Under Secretary of State. The board consists of representatives from the different agencies; the preparatory work is done by designated subordinates. When a policy recommended by the National Security Council has been approved by the President, the Board instructs the different agencies about their responsibilities in carrying it out.

The existence of the National Security Council and its adjuncts, in providing a common ground to consider many interdependent factors, cannot guarantee that search for agreement will not end in uselessly vague statements. It cannot assure that clear choices will be wise or that they will be followed. At least, however, the Council provides an orderly channel. In such situations, structure as structure can predispose conduct, and in so doing it may do much, but it can hardly do more.

Turning to the question of responsive changes within ministries for external affairs, we should comment first on the consequences of the heightened need for analysis and negotiation in economic foreign policy. The developments in the United States have been distinctive only in scale, if at all. Indeed, for countries less involved in defensive military alliances, the economic ingredient may be proportionally

larger. The administrative question is how to organise the requisite economic expertise in relation, on the one hand, to the "political" officers at the "country desks" in the foreign affairs ministry and, on the other hand, to the ministries concerned with matters like commerce, industry, and labour. The resolution of this problem in the United States is of some interest for it is a clue, not only to the role of economic thinking and action, but also to the kind of selective responsibility that is needed in ministries for external affairs.

The State Department's economic side, which in the early Thirties had consisted of an economic adviser and two or three assistants, had first grown as a result of the trade agreements programme after 1934. Later, during the periods of defence preparation and finally of war, it had so multiplied that by the end of hostilities, despite the creation of an emergency agency for foreign economic activities, the department's economic personnel outnumbered those who were serving in the geographical bureaus. Meanwhile the department as a whole had grown to be several times larger than before the war. The question of a reorganisation and possible simplification was inquired into by the Commission on the Organisation of the Executive Branch of the Government, a mixed legislative-executive-citizen body authorised by Congress in 1945 and headed by former President Herbert Hoover. It recommended that the lines of responsibility should be centralised in the "country desks" and the geographical bureaus and that in economic matters the main reliance should be on the experts in the departments that dealt with finance, commerce, agriculture, mineral resources, and the like. In support of this view, the Commission pointed to the fact that foreign affairs was tending to involve all parts of the government. The Commission recommended that the economic personnel of the State Department should be reduced to a few advisers who would serve in a staff relationship to the officers in the geographical bureaus where the action responsibilities would be mainly located.

The Department of State rejected the foregoing advice, and wisely, I think. It retained what is now a relatively sizeable Bureau of Economic Affairs, though smaller than at the close of the war. A departmental study group on problems of reorganisation, reporting in 1949, pointed out that the State Department economists must serve in more than a staff capacity. It noted that they have responsibility for action on matters which transcend the interests of a region or which, even though they arise within a region, have a predominantly multilateral significance. In addition, especially in a country like the United States whose traditions and policies were shaped in a long period of continental isolation, it is desirable that the economic

personnel of the foreign affairs ministry should be strong enough—in quality, numbers, and relative specialisation—to be able to deal effectively with the personnel of the domestically oriented ministries from the standpoint of the paramount considerations of foreign policy.

The example that has been given points to a generalisation about the lines of responsibility in ministries for external affairs. They cannot parcel out duties among bureaus in a fixed manner. More than any other type of ministry, they must be so organised that they can bring all their resources swiftly to bear, in varying combinations, on any particular problem that is the subject of decision and action. The location of responsibility to lead in bringing the matter to a head depends upon the particular nature of the question. Sometimes the primary responsibility belongs to a geographical bureau; then the members of the economic bureau will participate as advisers if they are involved at all. Sometimes the action responsibility belongs to an economist; then the geographical bureaus or some other division in the department may enter incidentally as advisers. Clear and enforceable responsibility is indispensable but it is a selective responsibility. In carrying out this sort of responsibility for action, success lies in having people who know the ministry and the government as a whole and who possess the habit of initiative that leads the person to whom prime responsibility is given on any matter to know whom he ought to see for purpose of getting advice and whom he ought to see for purposes of review or approval, where review is necessary; and, if review is appropriate and the comment is adverse, still to maintain the lead in carrying the combined statements promptly to a level high enough to decide the matter.

Passing now to the structural adaptation of foreign ministries to the United Nations system, it is typical of large countries that in the United States the needs of "council diplomacy" is recognised by the existence of what is now called the Bureau of International Organisation Affairs. It stands beside the four geographical bureaus and the economic bureau as one of the five main policy divisions of the department, each of which acts under the guidance of an Assistant Secretary of State. In any country, such an office is keenly involved in arranging for the choice of delegations to international bodies and in superintending the flow of instructions to these delegations. Especially it is concerned with the permanent missions to international bodies. In the case of the United States, a mission of one hundred or more persons is located in New York City; its main dealings are with the Security Council. An interim delegation is arranged for each session of the UN Assembly. For some years it has been customary to include in this delegation two members of the Senate

(one from each party) in even-numbered years and two members of the House of Representatives (one from each party) in odd-numbered years. Since much of the work of the specialised agencies—both those within the United Nations System and others, as well as special conferences on technical matters—involve the ministries that deal with things like agriculture, health, aviation, etc., many delegations are drawn mainly from these departments. Indeed, they often furnish both the chairman and the technical secretary, while the role of executive secretary is performed by some one on assignment from the State Department. In any typical year, probably four-fifths of all persons who serve on international delegations of all kinds are drawn from outside the State Department. In any case, the Department, through the Bureau for International Organisation Affairs, has the duty of oversight as well as service. Where more than one agency is involved, it is customary to handle the matter through an interdepartmental committee; sometimes a standing body, sometimes a temporary group. Such committees in the United States tend to be narrowly functional in character. To be sure, there has been a cabinet-level committee on foreign economic problems, and in the broad monetary field the Treasury Department heads an interdepartmental group called the National Advisory Council. On the whole, the United States has been less comprehensive than the United Kingdom, for example, in establishing a clearing-house mechanism for interdepartmental dealings with international bodies. In all countries, however, somewhat similar methods reflect a common response to the structural and procedural needs that attend the modern practice of "council diplomacy."

Another phase of the structural adaptation of ministries has been the problem of operating tasks which involve the extensive and detailed management of men, money, and materials. The problem is not peculiar to the United States, although circumstances have given it a scale that makes its administrative aspects especially acute for that country.

Looking at the matter generally, we must concede the strength of the traditional view, widely held in foreign affairs ministries, that they deal with matters of viewpoint and policy from which they should not be diverted by day-to-day involvements in operating details. For different reasons, this conclusion has often been concurred in by the critics of these ministries. Such critics are apt to say that the ministries for external affairs are indifferent to administration, that they are habituated to act through paper symbols, and that in any case they are natively cautious and unsuited to handle affairs that involve managerial initiative, organisation, and many specialised skills. On the

other side, it can be said that, since foreign policy guidance must be given in any case, operations which are closely connected with foreign policy should be conducted as semi-autonomous units within a composite ministry of foreign affairs. This condition, it is argued, has the further advantage of facilitating a working union abroad under the supervision of the chief diplomatic representative in each country.

In the case of the United States, I need not trace the rise and successive steps in the organisation of its widespread operations in foreign economic aid and in programmes of international information and educational exchange. I share the belief that, as far as these operations are a permanent or at least a long-time feature of American diplomacy, they should be conducted as autonomous elements within a composite department of foreign affairs. This trend is already evident in the disposition of economic aid. After many shifts since 1947, including the transfer of military assistance more fully to the Defence Department, economic aid is now conducted by the International Cooperation Administration in the Department of State, while its operating missions abroad are under the oversight of the chief diplomatic representatives.

Turning to the informational phase of operations, the long-run organisational problem may be described as still unresolved. The United States was as late as any large nation in providing for cultural relations as a routine aspect of foreign affairs. A small division for that purpose was established in 1938. Modest as it was, it was the State Department's first venture into operations. During the war, the large emergency undertaking called the Office of War Information was set up independently. Meanwhile, interest had grown within the State Department in public relations as a means of two-way contact with the people. This movement led to the establishment of the position of Assistant Secretary for Public Affairs. His staff, in addition to handling relations within the United States with the press, with interested groups, and otherwise, has been the main liaison with the country's international information programme as it developed after 1945.

As the war approached its end the question arose whether the United States should engage permanently in some kind of international information programme as an adjunct of foreign policy. Should it (in addition to cultural relations through the educational exchange of persons and similar activities) be active in fields like radio broadcasting, the distribution of documentary films and printed materials, press services, and the establishment of libraries? The somewhat reluctant decision was to have a permanent programme. It was conceived as supplementary to the private and voluntary means of international

communication; it was to be modest in scale, compared with the amounts that were being spent by some other countries. The initial decision was to conduct the programme autonomously within the Department of State. The Congress in 1947 gave it a statutory basis. Soon after, the deepening of the "cold war" led to a large increase of the appropriations, especially for broadcasting in many languages. By executive order in 1953 most of the work was organised outside the State Department as the United States Information Agency and conducted abroad under the designation USIS. Significantly, the staff that dealt with educational exchanges remained in the State Department. Significantly, too, the head of the Agency is now a career Foreign Service Officer. It is not illogical to expect an eventual reintegration.

The organisation of research as a tool of policy in foreign affairs has presented another problem of adaptive change. Research as an aid in current policy—as distinguished from historical work on the archives—has been strange in the past to the mental habits of career officers on home assignment, immersed in the incoming cables and concerned often with hour-by-hour events. In the United States, belatedly, the temporary wartime existence of a large and confidential but essentially research body called the Office of Strategic Services gave an impetus to the later establishment of the Central Intelligence Agency. It draws from but also feeds information to units in the armed services and in the State Department. Our present interest is in the organisational problem that attended the creation of the latter unit when many members of the wartime staff were permanently absorbed in the department. Two structural alternatives were open: to scatter the research workers among the geographical and other action bureaus; or to use them in a single intelligence office at the centre of the department. In 1946, the first course was followed. After nine months' experience, however, the staff were centralised and they have remained so, headed by an officer who has the rank of Assistant Secretary of State. The advantages include direct relations with the Secretary's principal advisers and with the Central Intelligence Agency. In addition the arrangement helps in maintaining the fact-gathering facilities. In the words of the head of the Office of Strategic Services, intelligence work is mostly the far from mysterious business of "pulling together myriad facts, making a pattern of them, and drawing inferences from that pattern".

We are led to the related though different question of planning in foreign policy. A still inconclusive experiment in the United States is worthy of comment. When George Marshall was Secretary he created a small "Policy Planning Staff" under George Kennan.

Dean Acheson, who was then Under Secretary, told a Congressional committee that it was "the most important agency in the Department." Acheson took a conservative view of how far ahead the staff was to look. He remarked that Kennan's job was "to foresee problems which are from three to six months ahead for those of us who have to carry out the operations. He shows how the problem will probably come up and what possible answers there are to it, as well as what advantages there are to each of these solutions to the problem. Then the problem is referred to the operating section of the department where it will probably arise, for further study and development." If possible, Acheson added, the planning staff should try every three months to make an overall analysis that would project the key problems at least a year ahead. But this was a counsel of modest expectancy; it was not a limitation in time. Under George Kennan's successors, the Policy Planning Staff has remained a group of a dozen or less, located in a suite of offices close to the Secretary. The head of the staff has the rank of Assistant Secretary of State. The device seems to have won a place for itself. The structure cannot assure that, on the one hand, its analysis will be used or, on the other hand, that the members will not be diverted to short-run assignments. The equilibrium of a departmental planning office is difficult at best; it can be maintained only by understanding and self-restraint on the part of both executives and planners. Its actual use is bound to vary with events and personalities.

IV

In turning to the problem of a comprehensive foreign service, I wish to comment on aspects in which comparisons can be drawn among countries. Accordingly it would be irrelevant to consider the many employment problems that have been faced by the United States in conducting its special programmes. We may profitably confine our attention to the relation of the foreign service to the personnel in the ministry for external affairs. The United States in the past was one of a minority of nations that separated the two elements, recruiting the body of Foreign Service Officers as a self-contained system while most of the State Department personnel was in the general civil service. The separation was partially bridged by the fact that, at any one time, one hundred or more Foreign Service Officers on home assignment were likely to be found in key positions within the department.

As the years went on, the problem of amalgamation merged in the problem of the adequacy of the Foreign Service. The question of its adequacy was partly a matter of numbers, partly of diversity in the

face of the need for specialisation. In 1939 the latter need was partially filled for the time by absorbing the special foreign services under the Departments of Commerce and of Agriculture that had arisen in the Twenties. During the war the demands were met in part by an Auxiliary Foreign Service, created for the emergency without new legislation. At the close of hostilities, Congress sought to relieve the situation by temporarily enlarging the opportunities for lateral entry—that is, the appointment of qualified persons directly to the higher grades. Those in charge of the Foreign Service did not take full advantage even of this limited opportunity. Instead, they led in the 1946 revision of the basic legislation. The underlying principle was still the ideal of a career service of mobile generalists, recruited early in life to the lowest grade by competitive examination. The need for technical specialisation was to be met in part by a liberalised provision for Reserve Foreign Officers who might be appointed to any appropriate grade but only for a limited number of years. Mostly, the need for technicians was to be filled by a scheme of Foreign Service Staff Officers and Employees, appointed separately from the Foreign Service Officers. The 1946 act sought to dignify and strengthen the Staff by providing relatively high salaries for the top grades.

The subsequent efforts to enlarge and diversify the Foreign Service have centred in the question of amalgamation to which we have referred. This movement drew support from the steps taken in the United Kingdom between 1941 and 1943. In the United States the criticisms and proposals of many years were brought to a head by the 1954 report of a citizen committee appointed by the Secretary of State, headed by Henry M. Wriston, the retired President of Brown University. Pursuant to its recommendations, over one thousand positions in the Department of State were identified as “dual-service” in nature. This meant that in the future these posts were to be occupied by Foreign Service Officers. As a transitional step, the existing occupants of these “dual-service” positions could be appointed to an appropriate grade in the Foreign Service, if they cared to apply and were found qualified. At the same time and in the same spirit, the way was opened for the entry of many Staff and Reserve Officers. Whereas in 1954 the Foreign Service Officers numbered 1,284, by the autumn of 1957 the total had risen to 3,386.

The method of growth has shifted to annual recruitment at the beginning grade of the Foreign Service. There are risks in this arrangement; they sound a warning, not for foreign services only, but also for all career services based on early recruitment. Despite the Wriston Committee's emphasis upon the need for area and functional specialists, the procedures made no special provision for recruits with

postgraduate or other advanced training and experience. The examination was geared to undergraduate education. The deficiencies are forcefully illustrated in the field of economics. It is here that the injurious effects are already evident. To be sure, many candidates for initial appointment to the Foreign Service have done postgraduate university work or have had valuable experience. But the time and conditions of entrance have not been calculated to encourage the long pre-entry training that prepares a professional economist. Moreover, useful as are mid-career periods of freshening study at the Foreign Service Institute or assignment to a university, these sorts of interim training are not enough to lay the basis for the sharp-edged knowledge that is needed in analysis and negotiation. It should be added that steps are already underway to relieve the situation by permitting initial appointments above the lowest grade. However, despite substantial progress, the problems of a comprehensive foreign service—which is at once diversified and yet unified in opening the way for promotion to all the talents—have not been fully solved in the United States. One suspects that the difficulties are not confined to that country.


V

In conclusion we may speculate about the working relations of the head of government, the foreign minister, and the external affairs ministry as a whole.

In the United States the President is both head of state and head of government. The practical question is the sources of his advice, especially the extent to which he relies upon the Secretary of State and the extent to which the latter uses the resources of the department. Secretary of State Acheson, after he left office, described the proper relations in terms that few if any Presidents or Secretaries would question in the abstract. He wrote : "the direction of the conduct of the foreign relations of the United States rests and must rest with the President of the United States" but he added that in this realm the Secretary of State should be the President's principal adviser and as such "should be privy to all his thoughts and to him should be given the last clear chance before action". Acheson then went on to say : "The formulation of judgment as to the facts, probabilities, policy and action calls for institutionalised efforts, for which there is at the Secretary's hand one of the most effective instruments in the world—the Department of State." In quoting these words, an American makes due allowance for the ex-Secretary's generous loyalty to his former departmental associates. So much for the theory of the situation, and it is sound theory. In practice, some Presidents (including

those as notable as Woodrow Wilson and Franklin D. Roosevelt) have not relied greatly on their Secretaries of State in important matters. In practice, too, some Secretaries of State (including some as able as the late John Foster Dulles) have not used the departmental apparatus as fully and closely as should ordinarily be done. With due leeway for greatness and also for circumstance, none of these may be taken as a model of relations between the head of government and his minister and between the minister and his department.

The problem we have just discussed leads logically to a concluding comment on "conference diplomacy" in the sense in which I have used the term to indicate various kinds of widely advertised, relatively brief meetings of foreign ministers or heads of government. The problems merge in those that also mark the conduct of "council diplomacy". Part of the difficulty, as we have said, lies in the expectations that the attendant publicity creates. The same publicity may interfere with effective negotiation. Lester B. Pearson, former Canadian foreign minister, put the problem trenchantly in his 1955 book on *Democracy in World Politics*. He wrote: "The purpose of negotiation is the reconciliation of interests, the exploring of a situation in an effort to find some common ground, possibility of compromise, the seeking of agreement through mutual adjustments. Such adjustments are not made easier, and may well be made impossible, when the negotiators fear that any concession or compromise will within the hour be printed, pictured, or broadcast back home as a capitulation." It is worth remembering that Woodrow Wilson, in a letter to the Secretary of State on March 12, 1918 sought to explain the meaning of his reference in the Fourteen Points to "open covenants of peace openly arrived at" and to diplomacy that would "proceed always frankly and in the public view." He wrote: "... certainly when I pronounced for open diplomacy, I meant, not that there should be no private discussions on delicate matters, but that no secret agreement of any kind should be entered into and that all international relations, when fixed, should be open, above board, and explicit." Modern diplomacy need not be as cool as Harold Nicolson has said is good practice; it may be personal but it is based upon impersonal considerations. It must be exact and explicit; it cannot afford to be impromptu. I venture in closing to repeat what I have said at another time and in another place, so that it is clear that I speak in abstract terms. Open covenants proclaimed on summits or in the forum of the nations must be prepared for by negotiations that are patient, protracted, and confidential.



THE CIVIL SERVANT AND THE PUBLIC

H. M. Patel

WHAT should be the proper relationship between the civil servants and the public? The term 'civil servants' in this context is comprehensive and includes all categories of civil servants including those who merely carry out specific orders given to them and have but the scantiest of discretion in regard to their interpretation and application. Put somewhat differently, the question for consideration is, what should be the attitude of the public towards the civil servants and how should the latter conduct themselves in regard to the public? The answer is in a sense simple and can be given very briefly. In a democracy the people are the masters, and the civil servants are there to carry out their orders. But that does not mean, nor can it mean, that each member of the public may issue instructions to the civil servants direct : if that were to be allowed, there would ensue only chaos. It is as a body that the public must operate and this they do through their chosen representatives. These latter, again, cannot be expected to act individually or even severally : if they try to do so, again there cannot but follow chaos, injustice and a host of other undesirable things. They too must act through their chosen representatives and this they do by letting the majority party in the Parliament entrust to its leaders the task of forming the Government. It is this group of leaders, the Ministers, who issue instructions to the civil servants; and since they do so on behalf of the people, they are, it should be noted, as much the servants of the people as the civil servants. They stand, however, in a slightly different relation; they are the chosen agents through whom the public wants its wishes and aspirations to be given effect to and they in their turn see to it that those wishes and aspirations are translated into action and implemented by the civil servants. The people, thus, are the masters of the civil servants, but the civil servants receive their orders from the Government and from none else.

This constitutional concept is of great significance. For the civil servant, it ought to colour his whole being and thinking. The public interest must be to him the prime motive of existence and work. For the Ministers, likewise, the public interest alone must be the criterion for judging the soundness or otherwise of every policy, while for the Parliament and the public, the role of the master carries with it

the implication that they exercise their authority judiciously and only so as to further public interest.

II

The civil servant's conduct towards the public will be regulated by the instructions, general and particular, which he receives from his Government. According to the nature of his duties, he will come in greater or less contact with the members of the public. An executive officer, such as the Deputy Commissioner, or the Collector, as he is called in some parts of the country, will have much more to do directly with the public, than a Deputy Secretary to the Government. But however little or great their contact, the civil servants are expected to act in accordance with the laws of the land and the detailed instructions which may be laid down by Government for their enforcement or implementation. They are not authorised to, nor must they, adapt those laws to please the individual members of the public, however important these individuals may happen to be. The discretionary powers vested in them vary in regard to each law, but they can and must need exercise this discretion in public interest, and uniformly and never arbitrarily. Naturally, their attitude and conduct towards the public must be correct, sympathetic and polite; but beyond that no blame ought to attach to them for policies or laws which may be called upon to enforce or implement, however unsatisfactorily a policy or a law may be. The public must direct its criticism towards the Government, and persuade the Government through constitutional pressure to modify the disliked policy or law. Even if the civil servant in carrying out a given policy is found to have acted incorrectly or with excessive zeal, the public ought properly to content itself with bringing the facts to the notice of the Government and leave it to the Government to take appropriate action; towards the civil servant the public must maintain a completely neutral attitude. Unless this is done and this becomes the normal rule, the civil servants will be tempted to regulate their conduct with an eye to what will meet with the approval of the most influential or the vocal section of public, and not as they should do with complete impartiality and in strict compliance with Government's instructions. It is not difficult to see what the consequences would be if a civil service allowed its actions to be influenced by individuals or sections of the people. For the ordinary man, it would mean only one thing, absence of justice or the rule of law.

On the higher administrative side, where the civil servants contribute to the making of the policy of Government, the civil servants

come in direct contact with the public to a very limited extent indeed. They meet members of Parliament in certain committees of the Parliament, such as the Estimates Committee, the Public Accounts Committee, and the Select Committees. There the senior civil servants appear to explain the policies and actions of their Ministries, and express, when called upon to do so, not their personal views, but the views of their Ministers in regard to those policies and actions. It would be improper on the part of any member of these committees to embarrass the civil servants by asking them for their personal views, and the latter would be justified in refusing to comply. The proper place for the civil servant to state his views frankly and fearlessly is within his Ministry; outside his Ministry he should never do so, save when he is expressly permitted by his Minister.

In a democracy, such as ours, it must be the Minister who should be answerable for the actions of everyone employed under him, and all public criticism must be addressed to and directed towards him. The civil servant, moreover, is debarred, and rightly, from replying to criticism in his personal capacity, and constitutes an added reason why it must be regarded as unfair to subject the civil servant to criticism to which he cannot reply. It becomes, therefore, the Minister's duty to defend his subordinates, however lowly, against unmerited or unfair criticism. And only if he readily does so, will he engender among the civil servants the confidence that they will receive a fair deal. Here then we have the second important principle. The public must be most discriminating in its public criticism, and in order to do this must make a practice of first asking for facts relating to the matter under criticism and suspend judgment until they become available. Moreover, the public must in any case criticise the Ministers and not the civil service. The civil service naturally must not misinterpret this, but must, on the contrary, consider itself honour bound to see that it does not wittingly do anything improper or irresponsible.

For the civil servant the maintenance of a correct attitude towards the public is no easy matter. If he enforces decisions strictly, he may make himself unpopular in influential quarters, and yet it will be his duty to be firm. At the same time if he does not depart from the strict enforcement of the rules, he might be unable to render relief in cases in which he can have no doubt that it is most desired and needed. But if he tries to be 'human', he lays himself open to severe criticism either from his superior officers or from the audit authorities. In the conduct of the business of Government, procedure and precedents play a vital role, and a civil servant can disregard either or both only in exceptional cases. If in order to be immune from pressures of various kinds, he tries to keep aloof from the public, he is said to be

standoffish or arrogant; and yet if he mixes freely, his impartiality is immediately challenged by whichever group of people is dissatisfied with his decisions. Whatever his difficulties, it is clear that he must so manage things that he is always in a position to discharge his duties fairly, honestly and firmly. There can be no uniform set of rules to guide him; circumstances and his own judgment and commonsense must determine his course. But he will be helped in his task if the other parties concerned, namely the Government and the public, appreciate and understand these difficulties.

III

The permanent civil servant furnishes to the administration the indispensable element of continuity and expert knowledge : because of that, his advice will be informed and objective, and the final decision of the Minister and the Government will be the sounder for having been taken after giving full consideration to such informed and objective criticism. There may be perfectly good reasons, of a political nature or of general expediency, why the dangers pointed out by a civil servant in following a particular course may have to be ignored rather than faced; a civil servant is as capable of appreciating this aspect as anybody else and would not resent it if his views are ignored so long as he is satisfied that the decision is taken after a full examination of all the relevant considerations. It will clearly be in the public interest if the civil servants are encouraged to give their frank advice. If, however, they find that whenever their advice is not in accordance with the wishes of the Minister, the latter resents it, they will be tempted, being human, to adopt the line of least resistance and thereby save themselves a whole host of troubles. That, however, would be most unfortunate from the point of view of public interest. In the same way, if under the pressure of public criticism, the civil servant is made the scapegoat for any unpleasant action or policy, the latter will tend to seek refuge behind the wall of precedents and procedure. He will hesitate to exercise his discretion and to stray from the straight and narrow path laid down by rules and precedents. He not unnaturally asks himself the question, why open up new difficulties and new problems to solve and new dilemmas to break through and why run the risk of being pilloried if things go wrong? Unless, therefore, the public and the Parliament exercise the strictest control over themselves in criticising the civil servants whenever things go wrong, and unless the Ministers unhesitatingly accept responsibility for the actions of their subordinates, not only will the State not get efficient and honest service, but even-handed justice in administrative matters will become impossible. It has been wisely said that very

few men are capable of living up to their own standards whatever the circumstances, and most will, even if it be with reluctance, live down to the standards of their administrative superiors.

Mistakes will be made, for the civil servant is as human as the rest of the public, but if stupidity or dishonest motives are not the cause, those mistakes should be tolerated in order that all initiative and drive is not killed. Knowing that their every action may be liable to criticism in Parliament, the civil servants' bias is already towards not taking action, rather than taking action, towards saying 'no' rather than 'yes'. And nothing should be done to tilt the balance wholly in favour of that negative bias. In a democracy mistakes are not set off against successes, and each matter tends to be considered separately with the result that it is never enough for a civil servant to point to the successes he may have achieved by his initiative and drive and courage in taking decisions, as an extenuation for his failure in others, even though on balance the public interest may have been served to a greater extent than it may have suffered. This it is which inclines officials to adhere rigidly to procedure and precedents, for then, if things go wrong, they have a sound defence. But the public interest then obviously takes the second place. It is essential, therefore, for the public to be tolerant and avoid magnifying mistakes and errors of judgment into 'scandals', unless, on inquiry, it is clearly established that these are not honest mistakes or errors of judgment in which case no civil servant should ever have the slightest objection to most ruthless action being taken. It is desirable likewise for the public not to be chary of praising the administration when praise is justly its due. A word of praise uttered at the right moment would be valued and indeed would be worth far more than rewards of a more tangible character. It also helps to raise the civil service in the general esteem of the public and thereby makes it capable of rendering even more efficient service.

IV

There is one other point of importance which needs to be mentioned. The public is inclined to think that the civil servants are slow, and there is a great deal of what is called 'Red Tape'. 'Red Tape' within limits is essential and cannot possibly be dispensed with if public interest is not to suffer. And a certain amount of slowing down is also unavoidable if every proposal is to receive the thorough examination that it should. So far from being impatient of this slowness, therefore, the public should view with a discriminating approval the civil servant's approach to every problem on which his advice is

sought. Without the impartiality, cool prudence, the respect for principle as opposed to immediate expediency, which he is expected and usually does bring to bear, administration would more often than is realised go off at a tangent.

The work of Government in a Parliamentary Democracy is a complex affair : the Parliament, the Ministers, and the civil servants, all have important and indeed vital roles to play. None of these three can function independently of the other with any real efficiency, particularly when Government's functions go far beyond maintenance of law and order and include almost everything that has the effect of increasing the welfare of the people in all those spheres in which the people themselves cannot produce efficient results.



"There is no need for the administrator to be a man of ideas. His distinguishing quality should be rather a certain freedom from ideas. The idealisms and the most vicious appetites of the populace are equal before him. He should be prepared to bow before any wisdom whose mouth is loud enough. It is the negative character of the official's role which makes him, while admitted to be honest and trustworthy, an object of distrust. It is clearly undesirable that his cynical method, beneficent in its proper field, should be applied beyond that field. People who, from the official's point of view, are trifling forces at the periphery of things may, from the point of view of the truth, be at the very centre. The fact that to the administrator they may be of less weight than some less precipient but better organized group should strengthen and not weaken their determination. The acts of the administrator are, in effect, mere acts of recognition. It is the business of those who think they hold the truth on any subject to make themselves recognizable to the administrator's deliberately commonplace vision."

—C. H. SISSON

(in *"The Spirit of British Administration"*)

PARLIAMENTARY SUPERVISION OF PUBLIC ADMINISTRATION : A DANISH EXPERIMENT

D.G. Karve

“THE power of the throne has increased, is increasing, and it must be curbed.” This was an exhortation addressed to Parliament at a time when the claims to prerogative authority on the part of the British sovereign threatened to submerge the rights of the representatives of the people. The threat of arbitrary power of sovereigns has by now ceased almost completely. This is, however, not to say that the threat of arbitrary authority exercised by those who wield the coercive powers of the state has ceased to exist. The cry “New Despotism” may not be heard so loudly and insistently as it was before the last war. But students of constitutional developments, and jealous lovers of civil liberties, have been owing to a fear that the welfare state, with its evergrowing mass of governmental functions, departmental regulations, and boards of appeal is creating a situation in which the rule of law as commonly understood ceases to operate. That the law is made by the legislature, and upheld by the judiciary, is a concept which still holds the field over a large part of what may be called the fundamental rights of citizens. Any major regulation of these is brought about by normal legislative process, and is referable for its validity to law courts.

But the setting up of a number of ministries and departments to attend to a growing number of public functions, affecting the personal as well as the occupational life of citizens, has given rise to a growing number of situations in which, not only the citizens but even employees of the government feel that the “law”, which in these cases is mostly in the form of administrative orders, has not been carried out with due regard to the requirements of “justice”. This sense of grievance is not in all cases mitigated by such relief as is provided by administrative courts or departmental arrangements for review. On their own part the legislatures and the judiciary have been feeling that some essential parts of their legitimate spheres of authority are slipping away from them. In different countries several defensive or remedial actions are being taken, such as providing for parliamentary confirmation of departmental rules, and provision of judicial review of executive awards. While an uneasy balance of powers is sought to be maintained in these diverse ways, the feeling still grows that the acceptance of welfare, and even more so of planning, extends the area of

executive action in which the average citizen has little prospect of recourse to normal channels of redress of his grievances.

II

To meet the above situation Denmark has recently adopted a measure which can be traced to Swedish experience. As early as 1809, the Swedish constitution was amended to permit the appointment by Parliament of a Supervising Officer for the civil administration of the State. Obviously the experience of the functioning of this high officer, operating on behalf of Parliament to ensure the maintenance of fair standards in civil administration, was considered to be satisfactory. In 1915 similar arrangements were made for supervising military administration. Soon after, in 1918, Finland followed Sweden's example in appointing a parliamentary supervisor for the civil administration of the country. When, therefore, the Danish constitution, in 1953, provided for the appointment of one or two administrative supervisors the Danish Parliament had the long experience of its near neighbours to guide its steps. The parliamentary law setting up the office of a Parliamentary Commissioner was not enacted up till June 1954, and the first Commissioner to be elected to that office, Mr. Stephan Hurwitz, Professor of Law in Copenhagen University, took up his duties in April 1955. Though the constitution provides for the election of two Commissioners, actually one was elected, as provided by the Parliament's Act, and since then there has been no criticism of the step. While on grounds of the volume of work involved, or of allocation of different spheres of administration to two differently but appropriately qualified persons, appointment of two Commissioners can be plausibly supported, in actual fact the uniformity of judgment, and unity of responsibility, ensured by having only one Parliamentary Commissioner, appear to have been generally accepted.

Section 1 of Act 203 of 1954 lays down that after every general election the Folketing (Parliament) will elect a Parliamentary Commissioner who, on behalf of the Folketing, shall supervise the civil and military government administration. The relevant section of the Constitution speaks of one or two persons "to control the civil and military administration of the state". The words 'supervise' and 'control' used in this context, it would appear on further analysis, mean no supervision in an executive sense, and no control or directing executive authority at all. It could not be otherwise, as any meddling with the decisions of executive authority responsible to Parliament, by any elected official answerable directly to Parliament, would be

inconsistent with the doctrine of unified executive responsibility and power. The Commissioner though elected by Parliament cannot be one of its members. There is no restriction placed on his qualifications, except that he must possess legal training. The Danish Parliament is empowered to make rules for regulating the functions of the Commissioner, but so long as he is acting in conformity with these rules he is independent of Parliament in the execution of his functions. He is not answerable to Parliament for the routine of his office, otherwise than in conformity with rules made for him by Parliament which, however, can remove him at any time, if it chooses. Actually Prof. Hurwitz has continued to hold the office of the Parliamentary Commissioner since it was instituted.

While the civil and military administration of the state is indicated as the general field for the Commissioner's supervision certain areas are specifically excluded, and in certain others supervision is authorized only for specific purposes. Thus, while the publicly established church organization is subject to the Commissioner's supervision, matters involving the tenets or preachings of church personnel cannot be gone into by the Commissioner. The judges as a class are excluded from the Commissioner's purview. But deputy judges, in respect of matters which cannot be appropriately referred to the special trial courts for judges, are subject to the scrutiny of the Commissioner. The Parliament is, of course, outside the Commissioner's supervisory jurisdiction. So also is the extensive organization of municipal government. There is sound justification in theory for this exclusion. Municipal government represents an area in which the local bodies are supreme, and there is no reason why they should submit to the scrutiny of an inspecting officer elected by Parliament. But there is nothing improper or derogatory in the municipalities themselves empowering the Parliamentary Commissioner to extend his corrective supervision to their administration. In Danish conditions, which in this respect are comparable to conditions in several other democracies, it is often difficult to follow up the workings of an administrative process without impinging upon municipal administration. For instance the tax administration often utilizes services of municipalities for initial collection. In schools, hospitals and several other departments staffs of national and local governments work in co-operation for discharging common responsibilities.

It would be difficult, if not impossible, for the Commissioner to follow up the working of governmental administration in these departments without straying into that of municipal administration. In any case, the citizen will see little reason or rhyme in an arrangement by which he can obtain satisfaction for his grievances against the

national government, but cannot do so if he has a grievance against municipal administration. It would be plausible to suggest that municipalities, individually or jointly, can set up their own Council Commissioners, on the analogy of Parliamentary Commissioners. Few municipalities would be able to afford expenditures involved in securing the services of Commissioners with requisite qualifications of competence and objectivity. Moreover, even if they were to be able to employ adequately qualified persons, the problem of mixed governmental and municipal responsibilities, which are almost steadily expanding, would remain unsolved. A recent modification of the Swedish law on the subject has provided for extension of the parliamentary Commissioner's scrutiny to some fields of municipal administration. In Denmark the subject is yet under consideration. The municipalities are yet unconvinced that extension of the Parliamentary Commissioner's jurisdiction is the best way in which to supply the supervision needs of their administration. That the citizen is more closely in touch with municipal government is a factor which to a certain extent mitigates the need for built-in council supervision. But for areas of administration in which governmental staff works in collaboration with municipal staff Parliament cannot be expected for all time to reconcile itself to an inconsequential procedure. With better understanding on either side further progress along these lines may be expected at an early date.

The Danish Parliament is a large body, and it will be well nigh impossible for it and its elected administrative supervisor to keep contact with each other. It has, therefore, been provided to set up a special committee of Parliament which acts as a necessary channel of communication. The Commissioner is almost invariably invited to be present at meetings of this committee, and plays an important role in its functioning. The Commissioner's emoluments are fixed by Parliament on the highest level of judges of the Supreme Court and ministers, and he is prohibited by law from accepting any other office of profit, private or public, without the approval of the special parliamentary committee. The Commissioner is empowered to appoint his own staff and to control it without any interference from Parliament. The terms of service of the Commissioner's staff are those applicable to the staff of Parliament. The expenses of the Commissioner's office form part of the budget of the Parliament. At present the senior staff of the Commissioner numbers about ten, out of whom half have legal training.

III

It will be seen that what the Danish Parliament has provided is an institution which embodies Parliament's own administrative

conscience. While the administrative machinery of the state is permitted, and in fact expected, to work smoothly, efficiently and in conformity with laws, Parliament desires to assure itself, and to reassure the citizens, that any lapse from the straight path of efficient, lawful, democratic administration will not go, at least need not go, without independent review and public notice. Recognition by the Danish Parliament of the need for such a review does not imply the existence of conditions of indifferent administration in which special provision for such review was considered imperative. On the contrary, in Denmark, as in Sweden and Finland, because the standards of efficiency, integrity and fairness are high, an institution like the Parliamentary Commissioner can work naturally and successfully. Needless to say it is only the official acts of the civil and military servants of the state which are subject matter of the Commissioner's scrutiny. In view of the high standards of official competence and integrity it is surprising to be told, as Prof. Hurwitz tells us in an article on his work published in the *Journal of the International Commission of Jurists* (Vol. 1, No. 2), that it has been very seldom necessary to recommend criminal action against any official. Instead of a large number of complaints being made against small officials, as was initially feared in some quarters, it is these small officials themselves who have been given an opportunity, along with the rest of the citizens, to bring their own grievances and suggestions before a high functionary who has it in his power to initiate appropriate action if he is convinced of the validity of the claims made.

The Parliamentary Commissioner is required by law to keep himself informed as to whether public servants subject to his scrutiny commit mistakes or acts of negligence in the performance of their duties. Mistakes in this context may range from minor and unintentional acts of incompetence to arbitrary behaviour and acts done in the pursuit of unlawful ends. The latter class of complaints would be rare, but would naturally attract the Commissioner's most urgent attention. In fact, however, most of the complaints made are about deficiencies of organization or procedure, rather than about individual lapses. The most frequent manner in which the Commissioner comes to know about alleged mistakes is by receipt of complaint from aggrieved or interested persons. The complainant has to state his name and, as a rule, give his complaint in writing along with such evidence as he possesses. By law complaints about acts which are older than a year are time-barred, but even in such cases if they are clear and important the Commissioner may either refer the complaint to appropriate authority, or take up the inquiry on his own initiative, for doing which there is no limitation of time. Even

persons who are under detention can lodge a complaint with the Commissioner by sealed communications. The Commissioner is empowered to interview such persons without the presence of detention officials. Though most of the complaints of such persons have been found to be petty or unfounded, in several cases the facility of communicating genuine grievances to a high-powered and independent official has carried a reassuring influence. Persons who are under detention for non-criminal reasons, such as patients in mental hospitals, are the special concern in Denmark of a Supervisory Board of Parliament. But if any complaint made on behalf of such persons concerns the behaviour of public officials it can be appropriately entertained by the Commissioner. In practice close co-operation is maintained between the Commissioner and the Supervisory Board.

Besides complaints made by or on behalf of aggrieved persons, the Commissioner can on his own initiative take up a matter of alleged negligence or mistake by officials. Such information would reach him usually through press criticisms. Whatever may be the source of his information the Commissioner is entitled, on satisfying himself about the genuineness of the complaint, to call for a statement from the person or institution against whom the complaint is made. All officials and official agencies are required by law to submit statements called for by the Commissioner along with relevant documents and records, in the same manner as would be necessary under a judicial process. The Commissioner is authorized to visit and inspect any official agency or premises for the purpose of pursuing his inquiries. Quite apart from these legal powers, all officials and governmental agencies are, so reports the first Commissioner, naturally co-operative, as they, individually and as an office, have every interest in presenting their side of the question both to the Commissioner and to the affected persons. We in India shall not be surprised to read the Commissioner's comment that in several cases the official habit of simply stating an order without any procedural or factual explanation causes bewilderment and misunderstanding. If the same information which is made available through the Commissioner at a later stage were to be available to the general public, and in particular to the persons concerned, at the time of decision most misunderstandings would not arise. The large mass of social and economic regulations which accompany welfare, planning and emergency administration creates a number of occasions when a little more purposeful and informative approach on the part of officials would go a long way in assisting and reassuring the public.

The Commissioner usually disposes of half the complaints without going to the stage of asking for information from the person

against whom the complaint is made. Complaints which on their very face are either frivolous or malicious are met with a statement that the Commissioner sees no cause to take any action. Some other complaints are genuine, that is honestly meant, but for their satisfaction either there is readily available information, or they can be referred to normal channels of further disposal. In such cases the Commissioner keeps himself available for further assistance if necessary. In cases where recourse to law is recommended and the aggrieved party cannot afford to pay for the legal aid, the Commissioner may at his discretion provide the same. But as soon as it becomes clear to the Commissioner that an inquiry on his own part is necessary and justified, he has to communicate the complaint to the person complained of, and to call for his explanation and relevant papers. Where it is appropriate to do so, the superior of the officer is also informed of the complaint. Obviously, there are some complaints in regard to which too early a communication with the person complained of would prejudice the inquiry. In such cases the Commissioner may at his discretion postpone the communication. An official against whom a complaint has been made, and from whom the Commissioner has called an explanation, may demand that the complaint should be referred to the disciplinary courts set up under the Civil Servants Act. If this course of action is followed the Commissioner passes on the information at his disposal to the disciplinary court, and keeps in touch with the further progress of inquiry. In case of any recalcitrance or unwillingness on the part of an official, the Commissioner is empowered to exercise the judicial process to ensure attendance and production of relevant evidence. Even in his normal course of official action the Commissioner is bound to secrecy, both while he is in office, and after he retires. In actual experience the officials have generally been so fully co-operative that the use of the judicial process has not been necessary. Meetings with the Commissioner, individual as well as joint, are conducted more as intimate consultations and conferences rather than as formal inquiry proceedings. The Commissioner, while understanding the genuine cause of grievance on the part of the complainant has always shown a knowing and responsible attitude towards the limitations and difficulties of the officials. As a result of this consummate skill in playing the role of 'friend of both but partisan of none' the first Commissioner has set up a pattern of official behaviour which will be as much a part of the qualifications and procedure of his office as those laid down in the law and directives passed by Parliament.

IV

The Parliamentary Commissioner is a supervisor, but he is in no sense a superior executive authority, and though his approach is judicious, if not judicial, he cannot take or alter decisions on any matters which are the subject of complaints. After his inquiries are completed he can take one of several steps. If he finds no cause for action he would express that view in a letter to the complainant, stating his reasons. A copy of this letter, with any other appropriate communication, will also be sent to the official against whom the complaint is made. It is said that often these communications to officials, which are not critical but constructively helpful, are very beneficial to the officials and official organizations in improving their system and procedure. Any action taken by the Commissioner is final, and there is no further appeal from it. The positive action taken by the Commissioner may in extreme cases take the form of an order to the authorities responsible for prosecution to institute preliminary proceedings, or to bring a charge before a court of law. In less serious cases the Commissioner may only order the administrative authorities concerned to institute disciplinary proceedings against the alleged offender. The percentage of cases in which actual criticism of the administration is felt to be in order is small, about ten, though it is enough to serve as a salutary influence the effect of which is felt by the whole administration.

The Commissioner reports that the most difficult cases for decision are those in which the law deliberately leaves the officers free to exercise their discretion in each case. The Commissioner does not, as a rule, question the officer's discretionary judgment if it has been freely and reasonably exercised in the given case. If, however, the officer is seen to follow some arbitrary or rigid formula in the exercise of his discretion, he comes in for criticism for having failed to use discretion in the manner contemplated by law. Where discretionary authority has been used arbitrarily, or unreasonably, or in pursuit of illegal ends, more severe action is naturally ordered by the Commissioner. It will thus be seen that according as the gravity of the complaint may justify the Commissioner orders authorities concerned to take further disciplinary or corrective action as may be provided by law. His decisions become effective through the normal processes of law, and he does not in any sense, or in any sphere, constitute a conflicting power. There is thus no legal, constitutional or organizational friction, and as the officers as a class have grown to appreciate the utility of the Commissioner's office and to co-operate with him, his influence carries reassurance to the citizen, and a friendly corrective to the official.

In cases where ministers or ex-ministers are felt by the Commissioner to merit blame the Commissioner is required to communicate his view, along with all information and papers of the case, to the parliamentary committee set up for the purpose of keeping in touch with him. Any specific recommendations which the Commissioner has to make in such cases have also to be communicated to the committee. The Commissioner is required to submit to Parliament, through the committee, an annual report before the end of September of the next year. Besides major suggestions for improving the system and procedure of administration, this report has to contain a record of all important cases dealt with by the Commissioner, along with statements made in their own defence by officials. The report of the Commissioner must be printed and published, so that the entire citizen body knows what action has been taken or recommended by the Parliamentary Commissioner in important complaints made to him. This again has a good educative effect. As a rule the Commissioner keeps the ministers well informed of important cases referring to their departments. The mere presence of the Commissioner's office thus ensures that no serious complaint of miscarriage of the rule of law, within or outside government, is permitted to go without ventilation or legal redress. For the relief of individual grievances, for the improvement of faulty systems and procedure, and generally for a lively confidence in the rule of law the functioning of the Parliamentary Commissioner has been a strong and a steady support. On the other hand, the Commissioner is always ready to vindicate the official if he is wrongly blamed. In fact the Commissioner has found an increasing readiness on the part of officials to administer law with due regard to its spirit, and without wooden approach in its interpretation. The Commissioner's continuous and comprehensive review helps to bring about timely changes in the organization and procedures of public administration.

V

The Act of Parliament setting up the office of the Commissioner came into force in November 1954 and it came up for its first parliamentary revision in March 1957. The only amendment then made was to postpone by one more year the authorized revision. This would indicate that while the utility of the office of the Commissioner is generally appreciated it has not yet been fully established as a permanent feature of the Danish system of government. The Parliament, the press and the administrative services are all said to be friendly. The first Commissioner himself feels that he has been able materially to contribute to the building, or more correctly to the maintaining,

of sound administration in the Danish democracy. If it is true that "justice must not only be done, but it must also be seen to have been done", the Parliamentary Commissioner may be said to demonstrate that justice is done in that large and increasing number of complaints against public officials which would normally not go before any court of law. The Parliamentary Commissioner is neither superfluous nor vexatious, and the experience of his office deserves to be more closely studied by countries which are seeking to establish systems of public administration which, without being less efficient, are expected to be popular. Even if we confine ourselves to the growing costliness of securing justice in several obvious and simple cases we would realize how large must be the number of cases in which judicial relief against injustice fails to reach the aggrieved party. An agency operating for keeping up the quality of legal justice and of administrative decision without reference to the economic condition of the complainant will be a great boon to the poorer victims of red-tape and of arbitrary authority.



PANCHAYATI RAJ IN RAJASTHAN

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THE system of local self-government and district administration in the State of Rajasthan has recently undergone a major change, and the new system, now in the early stages of development, may well serve as a model for other States in the Indian Union.¹ Known now as Panchayati Raj (until recently called democratic decentralization), it involves the creation within the district of a hierarchy of local self-government bodies and the transfer to these bodies of a wide range of duties and powers, as well as financial resources formerly controlled by elements of the State administration. As a result of this the pattern of politics and administrative organization at the district level and below has been materially altered. In the present article an attempt will be made to describe selected aspects of the organization and procedures of this new system and to indicate some of the problem areas which will require study as further experience is gained.

The changes which have been made in Rajasthan are based in large measure upon the recommendations in the Report of the Team for the Study of Community Projects and National Extension Service, appointed by the Committee on Plan Projects.² The principal aim has been to create representative institutions within the district capable of evoking local interest and initiative in the field of development.³

The most striking organizational change within the districts in Rajasthan has been the creation of a three-tiered hierarchy of local self-government bodies. At the base is the Village Panchayat; at the block level is the Panchayat Samiti; and at the district level is the Zila

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1. The system of Panchayati Raj has also been put into effect in Andhra Pradesh; however, the present article will be restricted to a discussion of Rajasthan. At the time this article is being written (March 1960) Panchayati Raj is about to be introduced in Assam, Kerala, Madras and Orissa.

2. Cited hereafter as the *C.O.P.P. Report*. For a discussion of the Report, which was published in three volumes in November and December 1957, see Arch Dotson, "Democratic Decentralization in Local Self-Government," *The Indian Journal of Public Administration*, Vol. IV, No. 1, pp. 39-50.

3. This may be discerned in the Statement of Objects and Reasons appended to the Rajasthan Panchayat Samitis and Zila Parishads Bill, 1959—Bill No. 30 of 1959. The genesis of this idea in the post-Independence period is unfortunately outside the scope of this paper.

Parishad.⁴ The Village Panchayat is directly elected, whereas the Panchayat Samiti and Zila Parishad are indirectly elected and are composed mainly of the presiding officers of the local self-government bodies immediately beneath them, *i.e.*, Sarpanchas (presiding officers) of Village Panchayats are automatically members of the Panchayat Samiti; Pradhans (presiding officers) of Panchayat Samitis are similarly members of the Zila Parishad. At the block and district level provision is made for the co-option of members to insure representation of certain interests, *i.e.*, Scheduled Castes, Scheduled Tribes, women, persons associated with the co-operative movement, as well as persons "whose experience in administration, public life or rural development would be of benefit." Members of the State Legislative Assembly are associate members at the block level, without the right to vote.⁵ They are also members at the district level, along with the members of both houses of the Central Parliament. At the district level the State and Central Legislators are given the right to vote as well as to participate in deliberations. There are 3,502 Village Panchayats,⁶ 232 Panchayat Samitis, and 26 Zila Parishads in the State.

An analysis of the duties and powers assigned to each of these three bodies indicates that the Panchayat Samiti is the predominant body within the system, though its successful functioning is directly dependent upon the extent to which it can cooperate with the Village Panchayats within its jurisdiction, as well as the Zila Parishad above it. (This point will be discussed in detail below.) A principal reason for its predominant position is that the former Community Development and National Extension Service blocks have been placed under its direct control in several important respects.⁷ The administrative relationships between the Panchayat Samiti and the block staff have as a result of this undergone a radical change from those which previously existed between the block staff and the block advisory committees. This change in administrative relationships, particularly in regard

4. The Village Panchayats were originally constituted under the Rajasthan Panchayat Act of 1953—Act No. 21 of 1953, as amended (hereafter referred to as the Act of 1953). The other two bodies were created by the Rajasthan Panchayat Samitis and Zila Parishads Act of 1959—Act No. 37 of 1959 (hereafter referred to as the Act of 1959).

5. They are also prohibited from serving as the Pradhan or Uppradhan of any Panchayat Samiti or as the member or Chairman of any standing committee thereof.

6. This figure, as on March 1, 1960, will increase considerably when the Rajasthan Government carries out a proposed reorganization of Village Panchayats. In the future these bodies will exercise jurisdiction over 1,000 to 1,500 people.

7. For the purpose of implementing the Act of 1959 the entire State has been divided into 232 notional blocks. In those blocks where the Community Development or National Extension Service has not yet been initiated a block staff has been set up which includes the normal complement of personnel, with the exception of Village Level Workers.

to planning and budgeting (to be discussed below), is a key feature of the new system of local self-government within the district.

The second major organizational change has been the creation of the Rajasthan Panchayat Samiti and Zila Parishad Service.⁸ This Service consists of village level workers, gram sevikas, primary school teachers, ministerial establishments, field-men, stock-men, and vaccinators. The Secretary of the Zila Parishad, the Vikas Adhikari (formerly Block Development Officer) and the Extension Officers of the Panchayat Samiti are not members of this Service. In addition, the State Government has also created the Panchayat Samiti and Zila Parishad Class IV Service, which consists of peons, attendants, chaukidars, etc.⁹ All persons holding posts now classified in either of these two services when the Act of 1959 came into force were automatically taken into the Service unless they exercised their option not to become a member.

For purposes of direct recruitment (subsequent to that just mentioned), promotion or transfer, two types of supervisory bodies have been created by the State Government. The first is the Selection Commission. It consists of three persons, one an official and two non-officials. The official and one non-official are appointed by the State Government. The third person is the Pramukh (presiding officer) of the Zila Parishad of the district for which the selection is made. In addition, a District Establishment Committee has been formed for each district, consisting of three persons—one of the two members appointed to the Selection Commission by the State Government and the Pramukh and Collector of the district. In the case of direct recruitment, promotion or transfer, discretion vests with either the Selection Commission or the District Establishment Committee. One interesting feature is that while these Services are State-wide, lists of eligible candidates for direct recruitment, promotion or transfer are prepared on a district basis. Special provision is made for transfer between districts subject to the approval of the Selection Commission.

Disciplinary proceedings and punishments against members of the Service will normally be inflicted by the Vikas Adhikari of a Panchayat Samiti or Secretary of a Zila Parishad. However, the punishment of withholding one increment may be inflicted on a member of either Service by a standing committee of a Panchayat Samiti or Zila

8. For detailed information beyond that in the Act of 1959, see Government of Rajasthan, Appointments (D) Department, *The Rajasthan Panchayat Samitis and Zila Parishad Service Rules, 1959*, & *The Panchayat Samitis and Zila Parishads Class IV Service Rules, 1959*, Jaipur: Government Central Press, 1959.

9. *Ibid.*

Parishad. These bodies may also inflict all other prescribed punishments, subject to the prior approval of the District Establishment Committee.¹⁰ This procedure for disciplinary proceedings does not apply to the Vikas Adhikari and the Extension Officers of the Panchayat Samiti and the Secretary of the Zila Parishad.

The Pradhan of the Panchayat Samiti exercises administrative control over the Vikas Adhikari and the staff working in the block in relation to the implementation of the decisions and resolutions of the Panchayat Samiti and its standing committees. At the end of every year he sends a confidential report on the work of the Vikas Adhikari to the District Development Officer, who sends a copy of that report to the State Government along with his own confidential report. A similar report is filed by the Pramukh of a Zila Parishad on the work of the Secretary.

II

The procedures governing the framing of the annual budget by a Panchayat Samiti are significant in that, subject to certain limitations, it is solely responsible for the decisions taken in this respect.¹¹ The Vikas Adhikari places before the Panchayat Samiti an account of the actual receipts and expenditures of the current year, and a series of estimates of the income and expenditure for the coming financial year. These estimates are then deliberated upon, revised and the budget is finally passed by the Panchayat Samiti. It is sent to the District Development Officer for scrutiny and comment, and then forwarded by him to the Zila Parishad. If the Zila Parishad is not satisfied that adequate provision has been made in the budget for various purposes, it has the power to suggest modifications to the Panchayat Samiti, but these are not binding upon the Panchayat Samiti. However, the Zila Parishad does exercise an important suspensory veto. If it fails to return the budget to the Panchayat Samiti within the prescribed time, the Panchayat Samiti may not incur any expenditure on an item for which a matching grant is to be obtained from the State Government. It may, however, incur expenditure on committed items and other items of expenditure for which it has or will raise its own resources.

10. The District Establishment Committee is viewed by the State Government as the principal instrument for the protection of the rights of the members of the two Services. By vesting discretion in this body, particularly in regard to disciplinary proceedings, the State hopes to prevent any difficulties in regard to personnel matters which might arise from the inexperience or excessive zeal of the elected members of Panchayat Samitis and Zila Parishads.

11. For the rules governing these procedures, see Government of Rajasthan, Planning and Development (B) Department (Democratic Decentralisation), *The Rajasthan Panchayat Samitis and Zila Parishads (Financial, Accounts and Budget) Rules, 1959*, Jaipur: Government Central Press, 1959.

The ability to withhold State grants from the Panchayat Samiti is an exceedingly important power, since in the early stages of their development the bulk of the funds available to the Panchayat Samitis will come from the State rather than through local taxation.

The budget as framed is divided into a series of major heads of expenditure, *i.e.*, agricultural extension, irrigation, social education, rural arts and crafts, industry, etc. Each of these major heads is in turn sub-divided into a series of minor heads, *i.e.*, agricultural extension, for example, contains soil conservation, fisheries, seed production farms, plant protection, etc. The amount under any minor head in an approved budget may be transferred within the major head by the Panchayat Samiti itself,¹² *i.e.*, funds may be transferred from seed production farms to soil conservation. However, in order to transfer funds from one major head to another, *i.e.*, from irrigation to social education, the prior sanction of the Zila Parishad is required and the procedure to be followed is identical to that in the normal submission of a budget.

A particularly interesting innovation in the procedural relationships within a development block has been instituted by the State Government. In a circular¹³ sent to all local self-government bodies and development officers, the State Government has suggested a model procedure in respect of their normal monthly and semi-monthly meetings.¹⁴ Briefly, it has suggested that Panchayat Samitis hold regular monthly meetings on a fixed day, preferably in the first week of the month. This meeting is also to be attended by all members of the block staff. Immediately prior to this, meetings of the Village Panchayats within the block are convened. The members review the Village Panchayat's activities in the previous month and discuss proposals, schemes, problems, etc. which they desire to have placed before the Panchayat Samiti. At the same time the Vikas Adhikari calls a meeting of the block development staff to discuss the past month's activities, any problems or suggestions which may have arisen and any other matters which require the consideration of the Panchayat Samiti. The suggestions from the Village Panchayats and the block development staff are then placed before the Panchayat Samiti at its monthly meeting by the Sarpanchas and the Vikas Adhikari. The Panchayat Samiti then discusses the progress and problems of the

12. This is subject to the condition that continuing schemes are not affected. See *ibid.*, Rules 16(b) and 36.

13. Rajasthan Government (Panchayat and Development Department) 67843-68237 No. F 116 (265) 3/PS/VV/59, Jaipur, dated 27-11-59.

14. The observation of this writer, as well as others who have visited Rajasthan and observed the functioning of the Panchayat Raj Scheme, is that this pattern of procedural relationships has been very largely adopted.

past month and formulates specific monthly programmes and targets for each of the Village Panchayats in the block, based upon the annual development plan.

Following the monthly meeting of the Panchayat Samiti the Village Panchayats again meet, at which time the decisions taken by the Panchayat Samiti are communicated to the panchas (members) of the Village Panchayat by the Sarpanch. The approved programmes to be undertaken for the month are then explained to the entire village, each panch being responsible for informing the persons in the ward from which he was elected. The meetings of the Village Panchayats within the block have been so arranged that each is attended by one of the officials from the block staff who is able to help the Sarpanch in explaining the decisions which have been taken by the Samiti. This cycle begins anew with the convening of Village Panchayat meetings at the end of the month to evaluate the past month's progress.

While this may, to the reader, seem a fairly obvious procedure requiring little elaboration, its importance should not be underestimated. In place of the previous haphazard arrangements adopted by most Village Panchayats regarding meetings, planning and progress evaluation, the operation of these village bodies has been integrated in a cycle, the regularity of which should help to develop within the villagers a sense of interest and continuous participation in local affairs. Apart from the regularity and the frequency as such, is the fact that a continuous two-way channel of information and planning has been created. The principal instruments for the dissemination of information are the villagers themselves, aided by officials of the block staff.

III

The key man in the old system of district administration was the District Collector, and even after the adoption of the Community Development and National Extension Service programmes the Collector continued to exert significant powers of supervision and direction, both in the field of general administration as well as development. Under the new system of Panchayati Raj the role of the District Collector has been altered.

The Collector functions in two capacities, both as the Collector and as the District Development Officer. As the District Development Officer he has the power to examine the progress achieved by the Zila Parishad and to make suggestions for improvement thereon; to co-ordinate the work of the various development departments of the

State Government at the district level; and to examine the financial and other activities of the Panchayat Samitis, the Vikas Adhikaris and their staffs. In respect of each of these three functions he submits reports to the Zila Parishad. As District Development Officer he is an *ex-officio* member of the Zila Parishad, but does not have the right to vote.

As District Collector he sees that technical assistance is made available to the Extension Officers; that adequate precautions are taken for the repayment of loans advanced by the State to the Panchayat Samitis; and that Panchayats and Panchayat Samitis are provided with necessary assistance in the recovery of their dues. He also reports to the State Government as to whether priorities in the plans are being adhered to and the general pattern of work is in conformity with State and Central Government policies. In summary, the role of the Collector, in both his capacities, is to examine, to co-ordinate, to assist and to report. He is given no powers of decision, control, direction or intervention in the new system in respect of those subjects exercised by the local self-government bodies.

Even in the case of the emergency powers to be exercised by the State Government which enable it, under certain conditions, to cancel or suspend any resolution of a Panchayat Samiti or Zila Parishad or to supersede or dissolve any Panchayat Samiti or Zila Parishad, the only function of the Collector is to report to the State Government on the situation. It is the State Government and not the Collector which exercises these emergency powers.

One point stressed by officials in Rajasthan is that under the new system, while the Collector has no power to enforce his suggestions, his responsibilities for scrutinizing the development programme will be as wide as before. In his dealings with the Panchayat Samitis and Zila Parishads the Collector must rely on his persuasive abilities in order to exert an influence on policy formulation and implementation. The role of coordinator and adviser is radically different from that of the 'maa-baap', the all-powerful arm of the State Government, and it remains to be seen how the Collectors will adjust to it.

To summarize, the principal organizational and procedural changes involved in the introduction of Panchayati Raj are as follows: A three-tiered hierarchy of local self-government bodies has been created, and broad powers of planning, budgeting and implementation have been transferred to it. Separate Services have been constituted, which cover almost all persons working for these bodies. Procedures have been devised for long-range (annual) budget planning, as well as short-range (monthly) programme planning and performance

evaluation which purposefully interrelate the activities of all the three levels of local self-government bodies. The role of the District Collector has been altered to one of an adviser and coordinator, devoid of any powers of decision-making or intervention in the aforementioned system.

IV

A more detailed look at certain aspects of the system of Panchayati Raj as it is being put into operation in Rajasthan reveals a series of problem areas which will require close study as further experience is gained. The remainder of this paper will be devoted to a discussion of some of the more important of these.

One problem area concerns the relationships between the three local self-governing bodies. The Village Panchayat is the basic unit in the system. Its effective operation is essential for the success of the system. It is a vital link in the two-way channel of planning and execution that will flow between the Panchayat Samiti, the main planning and control body, and the individual villagers who will participate in the support and implementation of the block plans. The Village Panchayat must clarify and articulate public wants, mobilize public support and disseminate information. It must prepare a village plan based upon local needs and resources, and then secure the participation of all sections of the village in raising resources through taxation and in implementation of the decisions taken by itself and by the Panchayat Samiti. The Village Panchayat's success in these tasks will depend in large measure upon the calibre of local leadership, and, in particular, upon the extent to which traditional village leaders with a vested interest in the maintenance of the social, economic and political *status quo* are replaced by a new type of village leader who will strive to improve the condition of the entire village community.

The Panchayat Samiti is clearly the dominant body within the system. It must coordinate the village plans and formulate a block plan based upon its own evaluation of the block's requirements. It must assess the financial resources and capabilities of the block and decide how extensive a programme of taxation has to be embarked upon to supplement State grants-in-aid and other fixed sources of income, such as the share of land revenue to be given them. It must mobilize public support for development work, and in particular, secure the cooperation of Village Panchayats in all aspects of the block plan requiring their participation. While the theory underlying the relationship between the Village Panchayats and the Panchayat Samiti is one of cooperation or partnership, the fact remains that

the Samitis retain full control over the situation. They have the final say in respect to the allocation of approved funds, and they are also empowered to direct a given Village Panchayat to carry out their decisions.¹⁵ The Panchayat Samiti through the Pradhan is also responsible for the supervision of the administrative staff of the block. This represents a considerable amount of responsibility, and it is by no means certain that local leaders will be capable of coping with the many administrative complexities of the programme particularly in the early stages of its operation.

The main function of the Zila Parishad is to coordinate the plans prepared by the Samitis, to help promote cooperation between Panchayat Samitis within the district, and to act as a channel of information and guidance between the Samitis and the State Government. The one power of any significance given to the Zila Parishad, as we have noted above, is what may be termed a suspensory veto in the budgeting process over funds for which a matching grant is to be obtained from the State Government.

Within this system, if the Panchayat Samiti attempts to secure the adoption of programmes merely by exerting its powers, rather than by securing cooperation of the Village Panchayats under its jurisdiction, it will encounter serious difficulties and its effectiveness will be seriously hampered. But to secure cooperation will require a basic change in psychology of those who are its members. Village leaders represented on the Panchayat Samiti will have to think beyond the limits of their own village, in terms of the needs of the entire block, something that they have not heretofore been called upon to do. In most cases it is neither feasible nor desirable to attempt a uniform distribution of resources within the block, and it will therefore be necessary to arrive at compromises based upon an objective set of priorities. If, however, groups tend to form within the Samitis with a view to influencing the distributing of funds to their own benefit—a very likely possibility—difficulties may arise. Some observers hasten to point out that this is a feature of local politics in democracies the world over, and that it may even serve as a spur in the development of local interest, initiative and activity. The failure of the Samiti to include a particular item in its block budget does not prevent any village, in almost all instances, from undertaking such projects with its own resources if the demand for it is sufficiently strong.

15. Section 24, Act of 1959. In the event that a Panchayat Samiti decides to carry out a particular programme for the benefit of any Village Panchayat, then it becomes the responsibility of the Village Panchayat to execute that programme. It is felt by the State Government that this provision is necessary, otherwise the Panchayat Samiti might have to finance such programmes entirely from its own funds and would be unable to insist that the Village Panchayats allocate from their funds the people's participation or some share of the cost from the village's resources.

The position of the Zila Parishad, and particularly the lack of any significant powers assigned to it, has given rise to agitation, mostly on the part of the Pramukhs of these bodies, for powers to make Panchayat Samitis comply with their suggestions. An example of this was the memorandum submitted by the Pramukh of the Jaipur Zila Parishad to the State Government.¹⁶ This tendency has been resisted by the Pradhans of the Samitis (who are also members of the Zila Parishad), as well as by the State Government. It would seem to run counter to the basic aim of the scheme, which is to decentralize power and responsibility as far as possible, and it undoubtedly will be a source of continuing friction. This does not mean that the Zila Parishad should or will necessarily evolve into a weak body functioning in a haphazard fashion. It is by no means certain that the block is a satisfactory unit for all aspects of planning. In respect of schemes, such as small scale industries and minor irrigation works, the district may be a more meaningful unit of planning. In such cases the Zila Parishad will have an important role to play in securing agreement of the Panchayat Samitis in adopting such schemes. The Zila Parishad's above-mentioned power of review of Panchayat Samiti budgets and what amounts to be a suspensory veto over schemes requiring State funds will be an important means of securing such agreement. Also, of importance in this respect is its power to distribute among the Panchayat Samitis the *ad hoc* grants allotted to the district by the State Government. This power should permit a degree of flexibility in district planning to meet differing internal requirements and thus overcome certain administrative rigidities in this respect which observers consider to have been a serious drawback of past community development activity.

During the initial stages of their operation the relations among these three levels of local self-government bodies will undoubtedly be marked by trials of strength, brought about in part by a lack of understanding of the proper role of these bodies on the part of non-officials in particular. Some indications of this are already available. One feature which may tend to heighten this is the introduction of party politics, which will be dealt with in greater detail below. The possibility of these bodies coming under the sway of different contending groups within the district and the effect which this may have upon attempts to develop cooperation between them cannot be overlooked. By making the presiding officers at one level members of the body at the next higher level it becomes inevitable that partisan considerations or activities introduced, for example, at the district level will be carried over to the block and perhaps even the village level. It is too early

16. *Hindustan Times*, January 26, 1960, p. 16.

to know the precise effects which this will have, but that it will have an effect both upon the working of these bodies and upon district and local politics cannot be doubted.¹⁷

Another factor, which may lead to difficulties in the inter-relationships of these bodies, particularly between the Village Panchayats and the Panchayat Samitis, is the lack of clarity in defining the functions and responsibilities of these two bodies.¹⁸ A comparison of the functions of Panchayat Samitis (set forth in the Schedule appended to the Act of 1959), with the obligatory and discretionary duties of Village Panchayats (set forth in Secs. 24 and 25 of the Act of 1953) indicates a wide variety of areas where it is not possible to fix responsibility for the provision of a particular service or the performance of a particular function. The provision of a supply of drinking water, a basic item in the needs of a village, is a case in point.¹⁹ What will be required is not the issuance of lengthy detailed regulations,²⁰ but rather a revision of the lists of functions and responsibilities of these two bodies with a view to making the differentiation more precise. This need for a precise differentiation of functions will also arise in connection with Panchayat Samiti-Zila Parishad relationships, particularly in view of the tendency for Pramukhs to seek an extension of the powers of the Zila Parishads.

V

A second major problem area which will require further study as experience in working the system is gained, concerns the relationships

17. The following news item may give some indication of what the direction of future events in this connection will be :

"Jaipur, Feb. 27. The relations between Congress organization and statutory local bodies at the village, block and district levels were reviewed here at a two-day conference of the D.C.C. presidents and secretaries and Congress Party Zila Parishads. Mr. M.D. Mathur, P.C.C. chief presided.

"Mr. Sukhadia, Chief Minister, said that the Samitis had been given so much power that they could displace the Congress unless its Mandals made their existence felt.

"In order to secure better co-ordination between statutory bodies and Mandals it was decided that chairmen and vice-chairmen of the Samitis and presidents of their standing committees should hold frequent meetings with Mandal presidents to formulate policies and decide important questions."

Hindustan Times, February 28, 1960, p. 9.

18. This defect is also evident in the *C.O.P.P. Report*. See Dotson, *op. cit.*, pp 44-45.

19. See Sec. 24(1) and (21) of the Act of 1953, and Item 4 (ii) of the Schedule appended to the Act of 1959.

20. A course of action which the Rajasthan Government has reportedly decided not to embark upon.

between officials²¹ and non-officials.²² At the heart of this problem is the need for a change in attitudes, values and approach in both official and non-officials. The official must become aware that he is truly a public servant. The non-official must learn how to give a lead in policy matters without hampering administrative action. The most important area of contact between officials and non-officials will be at the block level, particularly between the Pradhan, the members of the standing committees, the Vikas Adhikari and the Extension Officers.

The main function of the Panchayat Samiti and of its standing committees will be to formulate block policies and specific programmes which fall within those policies. The main function of the Vikas Adhikari and his staff will be to provide technical knowledge to the Samiti, to aid it in arriving at its judgments and decisions concerning the formulation of policy, and to put into effect the decisions taken by the Samiti and its standing committees. The State Government is well aware of the potential difficulties involved. Mr. B. Mehta, Chief Secretary of the Rajasthan Government, has pointed out that "the relationship of the village representative with the representatives of the State Departments at this level is quite important. In the transitional period there are dangers of both sides pulling their weight in opposite directions. Both have to be told to guard against this danger."²³ It is possible to indicate two types of deviation in the relationships between officials and non-officials which will arise. On the one hand will be the tendency of the Vikas Adhikari and the block staff to exert a decisive influence upon the deliberations of the Panchayat Samiti. This leads to remarks such as "the Vikas Adhikari has the Pradhan in his pocket," which this writer heard once or twice. Such a tendency will be heightened where the calibre of local leadership within the block is poor.²⁴ The other possible tendency will arise in the case of an extremely strong Pradhan and Panchayat Samiti, where the block staff might yield to the wishes of the Samiti against its better judgment and knowledge of specific technical factors involved. A corollary of

21. This term covers all members of the State administrative system, particularly including those at the district and block level.

22. This term is generally used to indicate only the elected members of the local self-government bodies, though in a broader sense it covers all the villagers who will be under the Panchayati Raj system.

23. Government of Rajasthan, Panchayat and Development Department, *Democratic Decentralisation Training, Trainer Training, 6th to 13th April, 1959*, Jaipur: Government Central Press, Vol. I, pp. 18-19. The speeches delivered to the trainer training camp have been reproduced in two volumes. They are exceedingly useful in gaining an insight into the approach of the top officials of the State administration, as well as the members of the State Cabinet toward the programme and problems of Panchayati Raj.

24. It is particularly important in this respect that zeal and enthusiasm should not be mistaken by observers for competence and leadership ability

this will be the attempt by the Pradhan and the Panchayat Samiti to interfere in the details of day-to-day administration as they are carried out by the block staff.²⁵

As with the question of the interrelationship of the three local self-government bodies, it is the intention of the State Government that the relationships between officials and non-officials be in the nature of a cooperative effort. It is hoped that as the programme develops a healthy set of conventions will arise to guide all concerned. The Rajasthan Government has resisted the temptation to spell out in a series of detailed rules any set of such conventions. The effectiveness of a move of this sort would be questionable in any event, for many of the Sarpanchas and Pradhans are barely literate and unable to grasp the subtleties of detailed administrative rules and regulations. It is not as yet clear just what means the State Government will resort to in communicating an understanding of such conventions among the 232 Panchayat Samitis in the State, though this would seem to come under the scope of the functions of the Zila Parishad and the District Development Officer.

A further possibility which will have to be considered concerns the relationship between the Panchayat Samiti and its standing committees and their relationship to the block officials. It is clearly the intention of the Act of 1959 that the final power over the formulation of policy shall vest in the Panchayat Samiti. However, the Act provides that the Panchayat Samiti may appoint standing committees and delegate to them specific powers and functions in regard to the general subject assigned to each of the standing committees. In the Panchayat Samitis visited by this writer, and by others who have studied the Rajasthan scheme, some dissatisfaction was evident among Panchayat Samiti members who felt that the standing committees had been given the ability to take a final decision in regard to a power delegated to them by the Panchayat Samiti. This arose from a misunderstanding on their part of the by-laws which they were to frame governing standing committees, and underscores the need for continued training and education programmes. The possibility, in such a situation, for a dual source of direction in policy matters to the block staff might arise, and could well be further heightened by the formation of groups within the Panchayat Samiti.²⁶

25. It is interesting to note that in the initial stages when the Panchayat Samiti and the Zila Parishad Service was set up there was a considerable reluctance on the part of the Upper and Lower Division Clerks who make up the ministerial establishment to join the Service. Presumably the main source of this reluctance was the fear that they would be subject to the "whims" of the Pradhan and the Panchayat Samiti.

26. The State Government is aware of this difficulty and was reportedly taking steps to rule out the possibility of a misunderstanding in respect of powers of standing

One of the few portions of the Act which attempts to regulate the interrelationship between officials and non-officials concerns the attendance of officials at meetings of the Panchayat Samiti and Zila Parishad. Under the Act of 1959 all gazetted district level officers of the State development departments are entitled to attend the meetings of a Panchayat Samiti and its standing committees relating to matters concerning their departments. In addition, they may be required to attend such meetings by the Samiti, upon receipt of proper notification. The same is true of officers at the district level with respect to the Zila Parishad, with the addition that the Collector, in his capacity of District Development Officer, is entitled to attend all meetings of the Zila Parishad and its committees. The Zila Parishad may require the presence of divisional level officers upon proper notification. The most difficult part of the implementation of this new system in respect to the relationships between officials and non-officials will undoubtedly be the attempt to alter the old pattern of operation of the state administration. As one observer has pointed out, "It is not difficult to train those who are illiterate and have to learn from the beginning. The most difficult job...will be...in training those people, the members of the bureaucracy... (who are) used to different patterns of administration by their habit over a number of years. They have certain deep-rooted ideas from which they find it difficult to adapt to (a) modern pattern."²⁷

This problem takes on added significance, since the functions now being turned over to the local self-government bodies were in many instances previously performed by the bureaucracy. Will they be able to withstand the temptation to interfere where they oppose a particular line of action taken by a Panchayat Samiti, particularly when such action is within the powers of the Samiti? Will they cooperate or 'drag their feet'? In order to forestall the possibility of an unsympathetic attitude or lack of cooperation on the part of the bureaucracy, the Rajasthan Government has embarked upon a massive social education-cum-training programme for officials. A similar programme has been initiated for non-officials. Prior to the

committees of the Panchayat Samiti. At one point it appeared that all orders passed by a standing committee in respect of powers delegated to it would not be subject to the revision of the Panchayat Samiti. Thus it would be possible for a majority of four on a body of seven (the average size of a standing committee) to bind the parent body of 30 to 35 members to a specific line of policy. A further complicating factor in this respect was the view that the withdrawal of powers delegated to a standing committee by the Panchayat Samiti would not have a retroactive effect.

27. Speech of Mathura Das Mathur in Government of Rajasthan, Panchayat and Development Department, *Democratic Decentralization Training*, Vol. I, p. 6. See also the speech of G.F. Mankodi, I.A.S., Commissioner Panchayats, Ministry of Community Development, "Syllabus for Training of Members of Panchayat Samitis—Genesis and Approach," in *ibid.*, pp. 93-98.

implementation of the Act a series of training camps were organized for the purpose of developing a staff of trainers who would implement this programme²⁸ and emergency training was organized for over 3,000 Sarpanchas. As the State has envisaged it all officials and non-officials involved in the Panchayati Raj scheme will, within the next year or so, receive instruction in the aims and operation of the Panchayati Raj, in addition to which the non-officials will participate periodically in training camps for the purpose of discussing problems which have arisen, as well as for receiving additional information. It is too early as yet to ascertain the effectiveness of this social education programme; however, one clear evidence of it has been the sense of confidence apparent in the non-officials, especially the members of the Panchayat Samitis.

VI

A third major problem area which will require continued study as the Panchayat Samiti programme develops concerns the problem of politics.²⁹ It can be divided into two aspects: first, the role of political leaders and, in particular, the members of the State Legislative Assembly (MLA); and second, the nature of district and local politics. Politics at the State level is largely that of the Congress Party, which holds 121 of the 176 seats in the State Legislative Assembly. As is often the case where one party exercises a dominant position within the State, it is in its actual operation not a monolithic party, but rather a series of loosely allied groups, each receiving its support from a given area within the State, and even within these areas rivalries exist.³⁰ The question of rivalries within given areas was evident in the elections of Pradhans and Pramukhs, where in many instances it was reported that different groups within the Congress Party had each put up their own candidate in a given area. Of the total number of Pradhans elected it is estimated that over 150 belong to one or another group within the Congress Party. In addition,

28. For details consult the above mentioned two volumes on Democratic Decentralization Training and "Training of Members of Panchayat Samitis", a mimeographed statement prepared by the Government of Rajasthan. On February 29, 1960, the Rajasthan Government began its regular training programme. For details see Government of Rajasthan, Panchayat and Development Department, *Scheme for Training of Members of Panchayat Samitis*, Jaipur: Government Central Press, 1960.

29. The role of political parties in district and local politics is one of the main topics discussed by Jayaprakash Narayan in his paper, "A Plea for Reconstruction of Indian Polity". Unfortunately a discussion of this paper cannot be undertaken in the present essay.

30. The character of Congress Party politics in Rajasthan was highlighted last November when the Party carried out elections. See, for example, "Congress Elections in Rajasthan," *Hindustan Times*, November 28, 1959.

although statistics are not available, a surprising number of Pramukhs of Zila Parishads are members or Chairmen of the District Congress Committees.³¹ The problem posed by this is that the entry of a well-organized party into these local self-government bodies may work against a basic aim of the Act—to provide a mechanism whereby a new type of “development-minded” leadership will arise from the villages.

It will be exceedingly difficult to define the role of the MLA in the Panchayat Samiti. An articulate and forceful leader, in touch with developments at the State level, the MLA may well tend to dominate the Panchayat Samitis by the sheer force of his own personality, despite the fact that he has not been given the right to vote in the Panchayat Samiti, serve as its presiding officer, or participate in the proceedings of its standing committees.³² It should not be overlooked, however, that the MLA can perform a useful service to the Panchayat Samitis. His awareness of State and Central Government policies and of developments at those levels can be of considerable value to the Panchayat Samitis in their deliberations. Considerable restraint will be called for on the part of the MLA to insure that the emergence of local leadership is not stifled.³³

One interesting characteristic of State and local politics throughout India to date has been the extent to which it has been conducted on the basis of personalities. The economic issues that form the heart of most political arguments have not yet penetrated to the village level. This is undoubtedly due in part to the recognizable difficulty of relating the comprehensive action taken at higher levels to village and block level affairs. Now, under the system of Panchayati Raj, this will no longer be the case. The policy-making power and the funds are located at the block level. The local self-government institutions have been so created that the villagers and their leaders are intimately involved in the process. The decisions and actions of the Panchayat Samiti and the Village Panchayat will come under their

31. One particular difficulty that arises is that many of these people have come into these bodies not through the process of direct election but rather as co-opted members. The main source of co-option has been as one who has experience in administration, public life or rural development. See Secs. 8(2) (vii) and 42(4) (e) of the Act of 1959.

32. It is exceedingly interesting to note that neither in the Rajasthan Panchayat Samiti and Zila Parishad Bill, 1959—Bill No. 30 of 1959, as introduced in the State Legislative Assembly, nor the Bill as reported by the Select Committee of the Legislative Assembly, contained any provision for the membership of members of the State Legislative Assembly on the Panchayat Samiti. This clause was introduced in the Bill on the floor of the Assembly. This is particularly significant when it is realized that the Chairman of the Select Committee was Shri Mohan Lal Sukhadia, Chief Minister of the Rajasthan Government.

33. See the recent criticism raised by Acharya Vinoba Bhave of the role played by some political leaders in local politics, in *Hindustan Times*, February 13, 1960, p.5.

constant scrutiny. The failure of the elected leaders to perform satisfactorily may well result in their not being re-elected. To the extent that village and block level leaders have allied themselves with a given political party, their rejection may well be translated into a rejection of that party. Thus the party will be judged on its ability to effect social and economic improvements in the villages rather than on the basis of personalities.

The social education campaign embarked upon by the Rajasthan Government (discussed above) has also had an impact on the problem of politics. An attempt has been made to acquaint the villager with the meaning of civic responsibility and the powers and functions of the local self-government bodies. At the present stage this has reached only the elected non-officials, *i.e.*, members of Village Panchayats and Panchayat Samitis. It seems reasonable to expect that the second stage of this process will gradually follow and a similar awareness will extend to the general public.

VII

In closing, two features which stand out strongly in this writer's observations should be mentioned. First, despite the brief period of its operation, the Panchayati Raj scheme seems to have had a decided impact upon the people of Rajasthan. The most impressive feature of this has been the self-confidence evident in the members of Village Panchayats and Panchayat Samitis. In the Panchayat Samitis and Village Panchayats visited by the author the local leaders were thinking in terms of their own action and not in an abject dependence upon government initiative and assistance. If this condition persists then a major aim of the legislation, namely, evoking local interest and initiative in the field of development, will have been accomplished. The extent to which that interest and initiative can be translated into tangible accomplishments in the field of development will depend upon the emergence of capable, "development-minded" local leaders.

The second feature which must be stressed is the attitude of the Rajasthan Government. It is clear that the Chief Minister and the top levels of the State administration have given strong positive support to the programme and are in complete sympathy with its aims. It is viewed not as just an experiment—it is the new order and all seem determined to make it work. The success of the programme will depend in no small measure upon the extent to which this attitude is maintained in the future as the system develops problems which have to be solved. If official interest and support wanes, particularly in resisting the temptation to encroach upon the powers

of the local self-government bodies, it seems likely that the interest and initiative of the non-officials will decline and the present impasse confronting the Community Development programme in this respect will recur. Those familiar with the development of local self-government in India in the post-Independence period are aware that one important reason for its shortcomings has been the lack of support, or qualified support extended to it, particularly by elements of the administrative system within the States. This can only be overcome by the strong positive support of the State Ministries, a point borne out by the noteworthy achievements in Saurashtra during the Chief Ministership of U.N. Dhebar.



"It should...be emphasized that general education previous to specialization is not a luxury which the richer countries alone can afford, but a necessary condition for all if future civil servants are to avoid the dangers of narrow-mindedness and the inability to appreciate the demands of general policy and the common interest. Those responsible for organizing this teaching in the younger countries must maintain a healthy mistrust of utilitarianism and ready-made formulas, keep a balance between general education and specialized administrative subjects, and ensure that the juridical approach is viewed in conjunction with a study of the non-juridical aspects. The outcome of the study of the administrative sciences should be not only a certain professional competence but also a spirit of respect for the rule of law and a proper sense of the general interest. It is also incumbent upon it to make up for the absence of established traditions within the public organizations by the elaboration of a code of ethics, exceeding the scope of mere schooling, which will contribute to an all-round training of the man himself, and at the same time fit him for his work in the public service."

—ANDRE MOLITOR

(in *"The University Teaching of Social Sciences: Public Administration"*)

MEASUREMENT OF MANAGEMENT IN THE PUBLIC SECTOR*

H. K. Paranjape

M‘EASUREMENT’ as consciously applied to management is a new phenomenon. For a long time management was taken to be an ‘Art’ pure and simple, the successful application of which depended entirely on the inherent capacity of the person who was entrusted with the job. But with the increasing size and growing complexity of business enterprises, it became necessary to devise tools which would enable management to fulfil its role by methods other than purely personal knowledge and observation. The scientific method came to be applied to the problems of management and this naturally led to an attempt at using objective and precise criteria for helping and judging the performance of management. This came to be especially so because the management function in a modern business enterprise came to be exercised by different persons operating at different levels and in different capacities instead of by a single person as in the past. The separation of ownership and operational management led to the owners having to perform the function of selecting their managerial personnel and judging their efficiency of operation. The actual management itself was too complicated to be carried out by any one person by himself. The head of the management organisation had to delegate many management functions to subordinates specialising in the management of particular functions or individual parts of the whole enterprise; and such delegation led to multiple tiers in the management hierarchy. This created the necessity for the higher level of management to lay down definite objectives for the lower levels to pursue and to be able to judge how far these objectives were being effectively attained. All this has necessitated the increasing use of ‘measurement of management’.

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The criteria of effective management can be viewed from two points of view :

- (i) From the point of view of an outside controlling authority which would find it necessary to judge whether the management that it has set up is functioning in an efficient manner. In the case of public sector enterprises it would mainly be the controlling government and the legislature which would be in this position; in the case of private enterprises it would be the shareholders.
- (ii) From the point of view of the higher management itself. Such management may find it necessary to provide for internal checks of various types to enable it to carry out a continuous examination of the levels of efficiency at which the various component parts of the enterprise are functioning. This will make it possible for the higher management to correct inefficiencies and to ensure a high level of performance for the enterprise as a whole.

While there would thus be these two points of view regarding judging the efficiency of management, some of the criteria devised may happen to be commonly useful for both types, some may be more useful for one or the other category and some useful exclusively for either the external authority or the higher management. It is proposed in this paper to discuss some methods that can be used for measuring the effectiveness of management from both these points of view in relation to public industrial enterprises.

I. PROFITABILITY

The criteria for measuring management efficiency can be broadly divided into two categories : (i) General indices which are based on a money measure and provide some overall index of efficiency; and (ii) Particular indices which would indicate efficiency in regard to a particular part of the enterprise or the use of a particular input.

The criterion that is most easily and obviously applied is that of the 'profitability' of the enterprise. In the case of private enterprise this criterion is almost the only one used by shareholders because the basic motive of shareholders in investing their money in an enterprise is to participate in the profits of the enterprise and therefore they ultimately judge the efficiency of the management that they have set up from the profits that the management has been able to make on their behalf. Of course, it is true that shareholders may not judge efficiency of management entirely by measuring the profits made in a particular year so much as by assessing the profit possibilities as developed by the management over a period of time. But

this only means that the measure is used not necessarily for a particular year as over a number of years. The basic importance of this criterion remains. This criterion is also important in the case of public industrial enterprises because public judgment about the success of the enterprise is many times based upon this measure and specially on a comparison of the profitability in public industrial enterprises and private ones. While as pointed out below this criterion cannot always be depended upon for measuring management efficiency, it has the great advantage that it is simple to calculate and understand. It provides a common standard which can enable the controlling authority to compare the efficiency of management in the various enterprises under its control. Moreover it is a general criterion which provides an overall indication of efficiency combining all the different operations together and this is useful for the outside authority whether it be the controlling government, the legislature or the public.

This criterion, however, suffers from many deficiencies and this is especially so when one is considering the problem in relation to public sector enterprises. Profitability, that is the proportion of net profit to capital invested, depends upon (i) the method used for the valuation of capital, and (ii) the price policy. Peculiarities regarding these might considerably reduce the usefulness of this criterion as a proper measure of management efficiency.

As regards the former, paid-up capital or capital at charge minus depreciation may have no exact relationship with the present actual value of the capital employed in the enterprise. The value of investment may have appreciated or depreciated significantly since the original investment was made because of price fluctuations which may have led to a general increase or decrease in capital value. It will also be affected by the policy that has been pursued in regard to provision for depreciation, physical maintenance of capital and ploughing back of profits. There may also be overcapitalisation sometimes built in the financial structure of the enterprise from its beginning if considerable amounts of unfruitful expenditure have been capitalised. Moreover, the composition of the capital structure varies from enterprise to enterprise. One enterprise may have spent large amounts on the provision of housing and various township facilities for its employees and this may constitute a significant proportion of its total capital. Another enterprise may have hardly any such what may be roughly called "unproductive capital" in its total capital investment. Such variations are bound to make the simple profitability criterion a misleading one.

It is obvious that the profit made by an enterprise will depend considerably on the price policy it pursues. Unless there is considerable

competition in the market for the products of the enterprise, prices will be determined to a considerable extent not automatically in the market but by the deliberate policy of the producer. In such a case the policy pursued will influence profitability to a considerable extent. If maximisation of profits is the only objective set by the enterprise before itself and if it is permitted to pursue it, then the rate of net profit may be high; if there is some Government regulation of prices so as to ensure a fair deal to consumers and to allow profit to be made only at a moderate rate, the rate of profit is likely to be lower; and further if, as may happen in the case of some public industrial enterprises, the main objective is not to make profit but to ensure the supply of the product at a price which sometimes may even be lower than the cost the net profit may be either negligible or negative. It is obvious that in such a case profitability is not a useful measure of management efficiency. It may further be mentioned that the usefulness of this measure will depend very much upon an appropriate provision for meeting all costs including proper depreciation.

II. COST REDUCTION

In cases like those mentioned above, viz., public industrial enterprises where the maximisation of profit is not the objective, a good alternative for the measure of profitability would be that of cost reduction. This would also be a general measure covering the whole enterprise. If standard norms regarding the cost of production are laid down for all the main products of the enterprise, the efficiency of management could be judged by the management's success in keeping the actual costs within these limits. Obviously the extent to which this will be a useful measure will depend upon the care with which the norms are set up. If they are based purely on historical costs, they may provide only a very rough measure of management efficiency. Even so cost norms based on historical costs may have to be used in the earlier stages of an enterprise before other norms based on detailed study are built up as this latter process may take time; some experience regarding the actual working of the enterprise will have to be available before they are built up. If prices of most inputs remain at the same level such norms will provide a rough basis for measuring efficiency; even if prices are fluctuating costs at fixed prices of inputs can be specially calculated to provide a basis for comparison. There are always some reserves in any production process which can enable an efficient management to improve upon their performance and therefore the success of management can to a certain extent be fairly judged by its capacity to reduce costs below the norms established on the basis of previous history. The difficulty is that as management succeeds in

utilising these reserves and thus eliminating waste, such efforts will yield progressively diminishing returns especially as year after year the norms themselves will be brought down according to the cost level actually attained. If cost reduction as compared to the cost norms historically established is to be the sole measure of management efficiency and every achievement in cost reduction is to lead to a further lowering down of cost norms management may be induced to be careful not to achieve too much of cost reduction in any given year. The experience of Polish industrial management where such methods were used for some time indicates that such difficulties are likely to arise.*

Therefore while cost norms based on purely historical data may be used at the beginning, an early attempt needs to be made to calculate standard costs for the various inputs based on a proper study of the processes of production. The general cost norms will then be simply an addition of these with a certain allowance for overheads. This will be a better basis for a cost norm. Obviously it will mainly serve the purpose only of providing a general measure of overall management for the benefit of the external controlling authority. It will be the itemised standard costs that will be more useful for measuring efficiency for the purpose of bringing about improvements.

An important disadvantage of an overall measure of efficiency like profitability or cost reduction is that in a complex undertaking where a number of different products are produced and there are a large number of constituent parts of the undertaking, the overall measure may conceal the state of efficiency in particular sections of the enterprise. Efficiency in some parts may be high enough to conceal low efficiency in other parts of the enterprise. This difficulty indicates the necessity of separate accounts being maintained for the different parts of the undertaking so as to provide a measure of efficiency in the different parts.

III. OTHER GENERAL NORMS

In the case of a regulated or planned economy, there may be other objectives which the controlling authority wants the management to pursue. For example, the supply of certain commodities may be specially scarce. For various reasons it may be decided that the prices of these are not to be raised to a level which will indicate their actual scarcity. In such a case the economy in the use of such a commodity may be taken as one important criterion of efficiency. The supply of foreign exchange may well belong to this category in

*As stated by various enterprise managers to a visiting research student in 1956.

the case of a developing economy. It may be decided not to change the exchange rate to indicate the actual pressure on foreign exchange. In such a case, reduction in the use of imported material may be set up as an objective and therefore as a criterion of efficiency.

In this connection, it may also be mentioned that measures of efficiency generally will have to be based on the objectives that the managements are asked to pursue. In planned economy the expected outputs of different industries might be so dovetailed that a shortfall in the output of one enterprise may have serious consequences for the economy as a whole, especially if the dovetailing does not leave much of a margin. In such a case the attainment of the target output may become an extremely important criterion of management efficiency. In this connection arbitrary prices may lead to difficulties. There might be a conflict between different objectives like attainment of target output and maximisation of profits or minimisation of costs. The possibility of cost reduction or profit maximisation may be different for different products produced by an enterprise and the enterprise might be tempted to produce different products in such quantities as to maximise profits or minimise costs though this may give a different output complex than required for the plan. Such conflicts between different criteria can be resolved only through the higher authority clearly laying down the relative importance of different objectives. In the above case, for example, it may be laid down that the criteria regarding profit or cost will apply only if the output complex is according to the plan.

IV. INTERNAL NORMS

The methods mentioned above, while they will be of some use to the management itself, will mainly be of use to the outside controlling authority. They will indicate the objectives which the controlling authority would like the management to pursue and by which the efficiency of management will be judged. But the task of measurement in management is not only to provide facilities for the controlling authority in its judgment about management efficiency but also to provide criteria by which the higher management of a production unit will be able to check on the operational efficiency of the operating units under its control and to indicate the necessary correctives so as to improve efficiency.

For this purpose a large number of norms, standards etc. will have to be evolved suited to the needs of the particular production unit. By detailed study of operations norms regarding input-output relations can be laid down for every workshop, various definable parts of a workshop and to a certain extent for small groups of workers

or even individual workers. The setting up of such norms is obviously a complicated problem. Technical studies will help in setting up norms regarding the use of raw materials, power, spare parts, etc. Setting up norms of labour utilisation will be a more complicated task. It will require studies regarding the whole process of production, the flow of material, division of operations, the manner and technique of carrying out various production processes etc. It will also require a considerable degree of co-operation from the personnel operating at various levels. The man with the stop-watch has been a hated figure in many industrial units and unless management takes care to see that the workers are enabled to take a positive attitude towards such a study of operations, the study may be difficult to organise. It is necessary for the management to take workers into confidence and obtain their consent if labour norms are to be set up and used for improving efficiency.

V. NEW PROJECTS

An important point to be noted in this connection is that relating to projects for setting up new industrial units or for the expansion of already existing units. The efficiency with which this work is carried out will determine the extent to which the resources of the community are properly utilised and will largely govern the capital liability of the concern over its working period. Unless management during the construction stage is efficient the project may be saddled with a heavy capital burden. Moreover, it is not possible even to expect a high degree of efficiency in the construction of new projects unless some sort of yardstick is made available from the very commencement of a project. Such a yardstick would be provided by a detailed project report giving properly worked-out estimates of construction costs. This will ensure that all expected expenditure will be calculated and therefore the total capital requirements will be known beforehand. This in turn will enable the controlling authority to take the decision regarding the implementation of the project with a clear idea of the finances that it will have to provide. Moreover, it will make it possible for the authority to judge fairly clearly whether the management is operating efficiently in the task of construction. Even though there may be some price fluctuations in the intervening period fairly good indices of the major prices involved can be prepared and thus a norm can be provided against which the performance of the management can be judged. Failing this it is not easy either for the controlling government or for the public to judge the efficiency with which construction is carried out.

VI. ORGANISATIONAL PROBLEMS

In using the various methods detailed above for measurement of management a prerequisite is the setting up of proper organisational machinery for setting up norms, for revising them on the basis of experience gained and for judging to what extent the norms have been satisfied in actual operation. One type of organisation will be mainly technological. The suppliers of plant may themselves provide certain criteria about the utilisation of raw materials etc. A technological research unit in the industry will have further to go into these problems so as to evolve better and better ways of improving technical efficiency and set up norms for judging whether these methods are being followed. The necessity of a Work Study department and a Cost Accounting department in production units no longer needs to be emphasised. Financial audit has, it is now accepted, not only the purpose of ensuring that there is no misappropriation of resources but also that of ensuring that there is proper provision for depreciation, that all the costs that should be met from revenue are included in the profit and loss accounts, that there is an appropriate allocation of common costs as between different activities and so on. This is principally the task of what is called 'internal audit' and requires internal organisations to be set up by higher management for the purpose of providing it with measures of efficiency.

The outside controlling authority will also have to set up special organisations to enable it to judge efficiency. An important point regarding the approach of the outside controlling authority in judging efficiency is the necessity on its part to lay down in as clear a manner as possible the principal objectives that it wants the management to pursue. That alone will enable management to know the standards by which it will be judged. Moreover, the objectives should not be too many and, if there is possibility that they may conflict, their relative importance should be clearly defined. Of course the objectives may vary in their importance from time to time according to the circumstances faced by the enterprise or by the economy as a whole. Emphasis may have to be placed on one or the other objective according to special circumstances. For example, foreign exchange may be scarce at one time and considerable emphasis might have to be given to adopting policies which will save foreign exchange, while at another time this factor might not be quite so important.

Once these objectives and the criteria by which efficiency will be broadly judged are laid down it will also be necessary to provide for an organisation which will carry out the task of examining efficiency in the light of these. This judgment will require a proper and sufficient system of reporting. The controlling authority will have to ensure

on the one hand that it is not so much bogged down by detailed information that it cannot digest it; on the other hand it will have to see that it gets enough information to be able to judge whether the objectives that are laid down by it are being pursued. It will be necessary especially to ensure that sufficient information about the various distinct parts of a complex undertaking is obtained so that the controlling authority knows about the success not only of the undertaking as a whole but also of its various important parts. The average government department is often not in a position properly to digest such information and point out to the Minister, who is necessarily a non-expert, whether the enterprises are functioning efficiently. It might be useful in some cases for the controlling Ministry or department to set up a special expert cell capable of studying the information obtained from the enterprises and preparing reports to enable the government at the highest level to judge the matter. Perhaps an organisation similar to the Public Undertakings Review Board that exists in France but with much less emphasis than seems to exist there on purely financial and accounting problems will be a useful instrument in an economy where public industrial enterprises are playing an increasing role in economic development.

Lastly, it may be pointed out that if the laying down of these various criteria and the general use of measurement of management is to be effective for improving efficiency this cannot be done merely by exhorting management at various levels to attain the objectives laid down. It is true that when definite quantitative criteria exist for judging management efficiency, managements will try to show good performance as they will know that these would provide definite and precise indications of the extent to which they succeed or fail in their management. But unless the controlling authority is to rely entirely on the weapon of removal, which obviously is an instrument to be used rarely and with great care, various types of incentives will have to be devised and effectively used to emphasise the importance of attaining the objectives laid down. If monetary awards of various types are related to the satisfactory attainment of the norms that are laid down, the norms will come to have a much greater and obvious significance to the personnel operating in the enterprise. If as suggested above norms are laid down not only for the enterprise as a whole but also for various parts of the enterprise including small groups of workers and individual workers wherever that is possible, a clear statement should be provided to the various parties of the criteria by which their efficiency will be judged and fairly regular information should be supplied to them as to their actual attainments. If proper methods are used to publicise norms and actual attainments, this may provide a healthy

basis for competition amongst various operating elements in the enterprise and might create greater interest in the fulfilment of the norms.

VII. INDIAN EXPERIENCE*

Profitability

As regards the use of the criterion of profitability in India the problem bristles with difficulties. The statement given at the end of the article (Table I) shows the position in this respect regarding some industrial enterprises in the public sector but the profits or losses shown there do not indicate very much the efficiency or otherwise of management. The paid-up capital, for example, does not always indicate the value of capital totally invested in the concern. In certain concerns loans made by Government constitute a large part of the total investment made in the enterprise. On the other hand, certain concerns like Sindri have been able to plough back substantial amounts into their business. The possibility of over-capitalisation due to unnecessary and infructuous expenditure in the construction stage is attempted to be eliminated by including only a part of the preliminary expenditure and the expenses during the construction period in the capital of the concerns. The remaining part is generally written off over a period of time. In the case of the DDT factory at Delhi, for example, it has been decided that only 50% of the expenses during the construction period and 50% of the preliminary expenses should be capitalised, the balance being written off in 3 years. In the case of Sindri Fertilizers, it was decided that out of Rs. 23 crores spent on the project for completing its first phase, about Rs. 6 crores should be written off and only Rs. 17 crores capitalised. Such a method would obviously be helpful in keeping a better relationship between the paid-up capital and the actual value of capital assets.

The other difficulty mentioned earlier, viz., the differences in the composition of capital as between different enterprises, however, remains. The proportion of capital spent on amenities like housing and various township facilities varies considerably from enterprise to enterprise, in some cases like Chittaranjan it being as high as over 40% of the total capital at charge. No clear principles have been laid down to indicate that this part of investment should be treated differently from productive investment when accounts are presented and therefore a comparison based on the relationship of profit made to capital investment is bound to give a wrong picture.

*It should be mentioned that information about various aspects of 'Measurement of Management' was not available about all public enterprises in the manufacturing field. Even for the enterprises for which some information became available, it was confined to some aspects only. For some enterprises, the information available was for 1957-58 only. These limitations should be noted and the data provided should be taken as only illustrative.

As mentioned above, the second element that would determine the profitability of an enterprise would be the price policy. Here also we find that no clear principles or policies have been laid down for any enterprise and no general statement about price policy is available. "National Interest" is supposed to guide the price policy and when determining prices, the prices of imported products, the interest and capacity to pay of the consumer, the general requirements of the economic system, all these are taken into account and an *ad hoc* decision is arrived at. Many industrial enterprises in the public sector sell the bulk of their products to some Government agency and the price policy there is based on a "cost plus" basis.* In the case of the Hindustan Shipyard the Government has decided to subsidise the concern to the extent of the difference between its cost of production and the price at which a similar ship can be purchased from abroad. In the case of the DDT factory at Delhi, under agreement with the United Nations who supplied the plant, the product is to be sold on a no-profit-no-loss basis. All this indicates that the prices of the products produced by many important industrial enterprises in the public sector are decided as a matter of deliberate policy and not automatically determined in the market. Therefore profitability cannot be considered to be a very useful criterion in the case of these enterprises.

VIII. COST REDUCTION

For the overall cost of production, in few cases have any general norms been laid down from the beginning of the projects. Of course a starting point of comparison is provided by the CIF price of the imported product but then this comparison is not always very useful because the production conditions in India are different in many respects from those in other countries. Not only considerations such as it being a new industry and, therefore, in need of building up technical knowledge and skill but also other special peculiarities are responsible for this. One factor that is important there is that an enterprise in India like the Indian Telephone Industries or the Chittaranjan Locomotive Works has to produce on its own a large number of components which similar foreign concerns purchase from other suppliers who in turn can produce them more economically as they fall within their specialised fields of production. But in India as such related enterprises are not found to be already developed and especially because

*"The prices of equipment manufactured in the BEL (Bharat Electronics Limited) are fixed on the basis of actual cost of materials and labour and adjusted overheads plus 19% for profit. To arrive at the overhead rates the expenditure on the factory is estimated as to what it would be when the factory reaches full production". 30th Report of the Estimates Committee of the Lok Sabha, December 1956, p. 44.

of the necessity to reduce the import content of production the basic concerns have to produce most of their components themselves and this can mean higher costs. Even then a comparison with CIF import prices or foreign prices does provide a somewhat useful basis for judging the efficiency of management and is extensively used. Such comparisons show that some of the enterprises are not doing badly; *e.g.*, the prices of locomotives, machine tools, fertilisers, telephones and telephone equipment, DDT and antibiotics produced by the enterprises in the public sector in India compare quite well with the CIF import prices or the prices prevalent in foreign countries.

IX. INTERNAL MEASURES

Cost accounting is now a common feature in most of the well-established manufacturing units in the public sector and it is being put on a more systematic footing so as to provide proper measures for finding out sources of excess costs and reducing inefficiency. Standards regarding the use of various inputs, especially raw materials, are being set up for use in various units. In some concerns, *e.g.*, the DDT factory, the norms provided by the plant designers are used as the basis for determining efficient utilisation of raw materials. In other cases studies carried out in the enterprise over a period of time provide the basis for laying down norms of raw materials required for various operations. Work Study is being undertaken in most of the enterprises. Here again as in the case of the Indian Telephone Industries sometimes the norms provided by foreign technical consultants modified for Indian conditions are used in the beginning for providing a rough basis for comparison and then revised norms are gradually set up on the basis of a detailed study of operations. Industrial Engineering Divisions have been set up and labour norms for most productive processes laid down in many well-established industrial concerns like the Hindustan Aircraft, Chittaranjan Locomotive, Perambur Integral Coach, India Telephone etc. It should also be mentioned that when these norms are being built up and production tasks set up on this basis, in all cases this has been done with the knowledge and co-operation of workers and their representatives. In the case of certain types of enterprises, especially automatically working chemical plants, it is pointed out that establishment of labour norms is not possible. Even then, for example, in Hindustan Antibiotics some norms regarding labour costs in financial terms have been laid down and are used for checking labour utilisation.* In other cases, as at

*In the original project, for an output of 4 lakh mega-units, Rs. 72,000 was estimated to be the monthly salary and wages bill. Now the production has increased to 29 lakh mega-units but the labour and wages bill has gone up only to Rs. 1,46,000 (that is Rs. 22,000 for producing 4 lakh mega-units). Similar reductions have been obtained in the costs of raw materials, maintenance, services, etc.

Sindri, this is not done. While it is true that laying down norms regarding labour input in such plants is difficult, the lack of such norms may lead to waste. In Sindri Fertilisers, for example, in 1957 out of about 8,000 total employees, over 5,500 were "non-technical, non-supervisory", that is unskilled 'mazdoor' type workers. Most observers admit that for an automatic chemical plant like Sindri this is a very high proportion. This is not to say that it is the failure to lay down norms that has led to this over-employment; but the lack of such norms at least makes it difficult to ensure that management faces the problem of efficiency squarely. Sometimes other types of difficulties stand in the way of setting up labour norms. An enterprise might have worked for too short a time to be able to obtain the necessary experience on the basis of which norms could be laid down. Moreover if the enterprise is not able to organise the production of its various products on a sufficiently large scale to enable standardisation of operations, if there are too many designs or if the work is of what is called the 'jobbing' type, the setting up of norms may be difficult though even in such cases it could not be considered impossible. In the case of Hindustan Shipyard the large number of designs are pointed out as one of the reasons why standard labour norms could not be set up. A further reason given was that foreign norms could not be applied and Indian experience was not adequate enough to build up such norms. At the National Instruments Factory also 'jobbing' is mentioned as the main difficulty in laying down such norms. Increasing attempt is now being made in such enterprises to organise production in a better way and to standardise designs and products so as to allow the use of better methods of management. Quality control has been instituted in many units as for example in Chittaranjan, Hindustan Aircraft and Hindustan Machine Tools to ensure that greater speeding up of work resulting from the laying down of labour norms does not mean lower quality of production.

As regards the various other criteria mentioned earlier we find that no precise objectives or norms have been laid down by the controlling authorities in India. But certain general policies are indicated, as for example the necessity to reduce the imported component of any product as much as possible. To attain this objective a plan for the gradual reduction in the proportion of imported components is generally laid down in every project and the actual performance is checked against this plan. With the increasing necessity to maximise output so as to help the general process of economic development suitable emphasis is given, in the public sector enterprises, to the attainment of maximum production from a given plant and so the criterion of actual output against capacity or target output is commonly used.

As the figures given in Table II (at the end of the article) show, in the case of many enterprises the performance regarding output is good once the enterprises have got over their teething troubles.

X NEW PROJECTS

Regarding capital expenditure on new industrial projects or expansion of the existing projects the experience in India has not been very enlightening. In many cases* the actual expenditure has considerably exceeded the original estimates. The reasons generally are that the original estimates are rather hastily prepared. No detailed estimates are made as a part of the project report before the project is accepted and implementation begun. A number of quite important items are either completely ignored or inadequately provided for in the estimates. This means that the actual expenditure has no close relation with the projected expenditure. It is true that this does not necessarily indicate waste of resources; but such defective estimating does mean that there are no definite limits of expenditure within which the management is expected to keep and therefore efficiency in construction suffers. Of course there are a few cases where the actuals compare quite well with the projected estimates. This seems to happen especially in the case of enterprises for which the responsible government organisation had considerable earlier experience as was the case regarding the Chittaranjan Locomotive Works.

XI. PROBLEMS OF ORGANISATION

As mentioned earlier it is necessary to build up proper organisational machinery, both inside the enterprise and outside in the controlling authority, to make appropriate use of the various measures that are devised and thus ensure that the data made available are used in good time for improving efficiency. We find that in India most of the industrial enterprises in the public sector are building up departments for cost accounting, work study, technological research and so on to enable them to set up proper norms in various respects and to go on revising them as further experience is gained and knowledge obtained. There is an increasing practice of information being made available to the operating staff as well as the supervisory and managerial staff at various levels regularly and with as short a time-lag as possible so that steps can be taken to correct tendencies towards inefficiency. Of course some of the state enterprises which have had a long history of the routine departmental type management may not always make sufficient use of whatever information and data are collected. It

*E.g., the steel plants; see Estimates Committee (Second Lok Sabha), 33rd Report, on the Hindustan Steel Ltd., pp. 50-56.

seems that such was the situation in the Government of India Railway Collieries till a few years back.* But there is no doubt that things are fast improving in this respect in the last few years. For example, in Hindustan Antibiotics, norms are laid down every month for each manufacturing department and these as well as the actual performance are communicated to the employees. In Hindustan Machine Tools the targets of output are fixed for direct workers, individual workshops and for the whole factory and the actual performance each month is specially announced. In the Indian Telephone Industries the industrial engineering division studies and lays down output per worker and per machine. The methods department looks after the correct determination and requirements of raw materials and their utilisation. Regular supervisory and accounting checks are exercised regarding the utilisation of various inputs.

Further there is an increasing tendency to use the incentives at least for the personnel directly engaged on production. An incentive bonus system of payment has been set up in many concerns like Hindustan Aircraft, Indian Telephone Industries, Hindustan Machine Tools, Perambur Coach Factory, etc. Incentive bonus is generally paid to direct workers on the basis of individual performance and to the indirect or ancillary workers and sometimes to the lower supervisory staff on the basis of group performance. Even in concerns like Hindustan Antibiotics where norms for individuals cannot be laid down an attempt is being made to devise some criteria by which group performance can be judged. It is laid down as a general policy that awards or bonuses to all staff receiving less than Rs. 500 per month should be increasingly instituted based on some measure of productivity. But except where an incentive bonus scheme based on individual or group performance has been instituted, the annual bonus though theoretically based on productivity is in reality decided on a purely *ad hoc* basis.

As regards the organisation external to the enterprise making use of the measurement of management efficiency the principal authority doing it is the controlling government. Regular progress reports are sent by all the enterprises to the controlling ministries and as these reports contain considerable statistical data showing the inputs and outputs in real as well as financial terms, the ministries can use this material for assessing of efficiency. But not all ministries have qualified staff to make full use of such data. There has yet been no attempt to build up expert cells either in individual ministries or in the Cabinet Secretariat for the purpose of studying these various reports

*The Report of the Enquiry Committee on the Working of the Government of India Railway Collieries, 1951, p. 68.

and applying appropriate norms to examine whether the managements are operating efficiently. Of course one difficulty in this is that the number of persons competent to do this work is small and priority naturally has to be given to putting such competent people on actual operational jobs.

Another important external authority is that of audit. Most State enterprises are now under the ultimate audit authority of the Comptroller and Auditor-General of India, even though only in some cases does this agency actually exercise its right to carry out audit. While there has been considerable discussion about audit in the case of business-type enterprises having to take a different approach than audit of normal governmental agencies, in practice it does not seem that there has been much change. The public audit authority in India still largely concerns itself with checking irregularities in expenditure rather than with what is called performance audit. While one Comptroller and Auditor-General has expressed himself to be in favour of building up a tradition of performance audit, in practice this has not gone very far; and many people wonder whether with a long historical tradition of the present type of audit, it will be possible for this organisation to build up an entirely new outlook and method.

The Estimates Committee of Parliament has been exercising the function of examining in detail various aspects of the working of public enterprises in India, even when these are established as public corporations or companies. As there has been no other independent agency set up for the purpose of examining the functioning of these enterprises these enquiries conducted by the Estimates Committee have proved to be of considerable value and their reports have served a very valuable purpose. In many cases these reports have been the principal mode of getting detailed information about the working of public enterprises, since the annual reports and financial statements are not always very informative. Moreover in some cases the Committee has very scientifically examined the efficiency with which the concerns are operating. In its report on the Indian Telephone Industries, for example, it put together various bits of useful information and tried to apply proper criteria to judge the efficiency of performance.*

One may thus come to the conclusion that while it took some time for those in charge of public enterprises in India to come to realise the significance of measurement in management, there has been over the last few years an increasing acceptance of the importance of these methods in the management of public enterprises. It is to be hoped that as further experience is gained, defects like those indicated above

*Estimates Committee (Second Lok Sabha), 11th Report.

will be eliminated and this progressive use of scientific management will lead to an increasingly efficient public sector.



Table I

PROFITABILITY OF INDUSTRIAL ENTERPRISES IN PUBLIC SECTOR
IN INDIA

Sl. No.	Name of Enterprise	Capital paid up	Net Profit Made			Remarks
			1955-56	1956-57	1957-58	
			(Figures in Rs.)			
1.	Hindustan Antibiotics Ltd.	2,45,83,000	—8,02,899	57,607	33,43,052	
2.	Hindustan Cables Ltd.	1,25,00,000	6,06,569	9,93,434	10,10,038	
3.	Hindustan Insecticides Ltd.	97,00,000	2,976	3,83,187	5,61,691	
4.	Hindustan Machine Tools Ltd.	3,90,00,000	...	3,99,694	21,62,327	
5.	Nahan Foundry Ltd.	40,00,000	36,186	37,651	70,000	
6.	Sindri Fertilizers and Chemicals Ltd.	17,00,00,000	1,63,63,342	2,04,71,844	1,42,81,847	
7.	Bharat Electronics Ltd.	4,81,25,000	—4,07,291	—21,836	—3,77,198	
8.	Hindustan Aircraft Ltd.	10,30,00,000	28,02,426	32,28,645	34,16,293	
9.	Hindustan Shipyard Ltd.	5,02,90,000	—78,111	—3,69,081	—4,75,353	
10.	Indian Telephone Industries Ltd.	4,00,00,000	25,96,094	23,57,819	24,69,015	
11.	National Coal Dev. Corporation	8,82,76,000	...	25,92,083	30,70,499	(Gross Profits)

Source : "Statement of Financial Working of Major Industrial and Commercial Public Enterprises", Cabinet Secretariat, New Delhi, 1959.

Table II

CAPACITY/TARGET AND ACTUAL OUTPUT

(A) *Integral Coach Factory, Perambur*

		Oct.-Sept. 1955-56	Oct.-Sept. 1956-57	Oct.-Sept. 1957-58	Oct.-Sept. 1958-59	1959-60
Target	Original	20	100	200	300	350
	Revised	40	120	240	350	350
Actual	Output	43	150	308	400 (anticipated)	...

(B) *Hindustan Antibiotics Ltd.*

Originally the Plant was expected to produce 9.0 m.m.u. of finished Penicillin per year. This target was revised to 20.0 m.m.u. and again recently to 25.0 m.m.u. per year. Actual production was as follows :

Production per year	Quantity of finished Penicillin in million mega units (m.m.u.)
1955-56	0.62
1956-57	9.89
1957-58	21.58
1958-59	25.20

(C) *Hindustan Machine Tools (P) Ltd.*

	Original Target (1952)	Revised Target (1956)	Actual
1954-55	2
1955-56	11
1956-57	57	135	135
1957-58	131	400	402
1958-59	238	600	552

(D) *Hindustan Insecticides Ltd.*

Capacity of Output

Original	700 tons	Tech. D.D.T.	p.a.
After Expansion	1400 tons	Tech. D.D.T.	p.a.

Actual Output

	...	Tech. D.D.T.	Form D.D.T.
1955	...	170.43	152.57
1956	...	492.50	817.81
1957	...	623.13	647.05
1958	...	1130.44	1029.08

NUMERICAL INDICES TO MEASURE THE PERFORMANCE OF ADMINISTRATIVE UNITS

S. V. Bhawe

THE desirability of evolving a suitable numerical measure for expressing (1) *the performance* and (2) *the efficiency of performance* of an administrative unit is obvious. Clearly it is easier to evolve a satisfactory numerical measure for the performance than for the efficiency of performance of an administrative unit, since for the latter purpose we have to take into account not merely the performance by the unit during the period but also the resources at its disposal, the staff position, etc.

A performance index could be defined and set up in any one of a large number of ways. However, since the ultimate justification for setting up a performance index is that it should enable us to judge the performance of different offices correctly in a universally acceptable manner, and should be of help in improving the actual performance of the different offices, it is desirable to consider (1) whether the usual methods in force at present for setting up the performance indices are really suitable, (2) whether it is possible to modify them to make them more suitable, and (3) the limitations that must be borne in mind while using these performance indices.

The usual method of setting up a numerical measure of the performance of an administrative unit is first to measure each item of the work completed by the administrative unit in some suitable measure expressible in numbers. If the measures of work in the different 'n' prescribed items are say $a_1, a_2 \dots a_n$, then all these measures are combined in a single index N defined by the equation $N = w_1 a_1 + w_2 a_2 + \dots + w_n a_n$ where $w_1, w_2 \dots w_n$ are fixed numbers called the n weightage factors assigned for the different items of work on the basis of their relative importance and other considerations.

The method of expressing the performance of an administrative unit or the performance of a Government department in any particular area in terms of index numbers is now being more and more extensively used. Some of the difficulties in expressing such performance in terms of index numbers are easily recognised. For instance, if we use index numbers to express the physical achievement of community development blocks then we have first to evolve suitable measures for the progress in different items. Again, to judge the progress achieved in the manufacture and use of compost manure

in the villages it is obviously better to use the volume in cubic feet of the compost pits dug up or the compost pits actually filled up by compost during any particular period instead of just writing down the number of compost pits dug up, (as is sometimes done). Similarly in order to compare the progress in the co-operative movement it is obvious that a measure like the number of co-operative societies started can be very misleading. Probably a better measure would be the total amount of share capital subscribed. Assuming that suitable measures for the different items of work have been devised, it is still necessary to see what complications would arise when the achievements in these different items of work are combined into a composite index of performance after assigning different weightage factors to the different items of work.

Clearly the values of $w_1 w_2 w_n$ have to be fixed rather arbitrarily and no satisfactory and convincing method can be evolved to decide what these weightage factors should be in any given case. In theory we could say that the weightage factors should be such that the final index N_A for the office A and N_B for the office B are such that N_A/N_B does actually express the comparative performance of the office A as compared with the performance of office B . Such a statement, however, presupposes that we have available some suitable method of judging the performance of the different administrative units A and B other than the numerical method set up by measuring the performance of the different individual items of work in each office and finding out the total performance of the office as the index N_A and N_B . The moment we state the position thus we realise that this is generally not so in practice.

Any inspecting officer who has carefully inspected the performance of the administrative unit A and the administrative unit B can in practice with confidence state that in any particular item of work say item of work r the performance of the office A is better than the performance of the office B . If the performance of work in the item r is measured in any suitable manner, both in the office A and the office B then a_{rA} will actually be greater than a_{rB} . Furthermore if in each of the items of work $r = 1, 2, \dots, n$, a_{rA} is greater than a_{rB} , then the inspecting officer will unhesitatingly state that the performance of work of the office A as a whole is better than that of office B as a whole. Irrespective of any weightage factors that may be used for the different items of work $r = 1, \dots, n$, in such a case the total performance index N_A will be greater than N_B . If, however, the office A has done better in some items than office B and office B has done better in some items than office A the actual weightage factors used for the different items of work become of crucial importance in deciding

whether N_A is greater than N_B . It may so happen that a competent inspecting officer will in such a case come to the conclusion that the performance of work of office A is much better than that of office B while actually N_B will turn out to be smaller than N_A .

This situation will arise not merely because the *relative importance* of work in different items as judged by the competent inspecting officer may differ from the *relative magnitudes* of the actual weightage factors. If this were all, we could decide upon the weightage factors once for all in consultation with all competent authorities and then accept the index of performance of any office as a correct and objective measure in preference to the subjective estimate of any inspecting officer; and if N_B is greater than N_A and yet the inspecting officer has an idea that the performance of the office A is on the whole better than that of office B we could without much uneasiness ignore the subjective estimate of the relative performance of the offices as against the objective conclusion N_B is greater than N_A .

II

Actually the situation is more complicated. The subjective estimate that the performance of office A is better than that of office B even when N_B is greater than N_A is not the result merely of the fact that the inspecting officer's idea of the relative importance of the different items of work differs from the numerical relations between the weightage factors $w_1 \dots w_n$. The difficulty has its origin very often in the fact that simple numbers $w_1 \ w_2 \ w_n$ cannot express through their numerical relations with each other even such universally accepted ideas as that "the entire neglect of some item of work cannot be compensated by more than average performance in some other items of work". For instance, if a Collector finds that in some taluka the work of keeping proper Tagai accounts has gone into a complete mess while in all other items of work like the recovery of land revenue, the inspection and maintenance of boundary marks etc. the work has been excellent, he would conclude that the performance of work of this taluka is on the whole much worse than that in any other taluka where the Tagai accounts are in fair shape and in other items of work the performance is only about average. That this estimate of relative performance of the different talukas is quite proper would, I am sure, be generally conceded. However, it is easy to see that as a result of the numerical weightages given to various items of work the total index of performance of work in a taluka in which the Tagai accounts have been allowed to go into a complete mess but in other items the work is excellent would often come out to

be higher than that of a taluka in which the work in each sphere including the maintenance of Tagai account is only about average.

This situation arises because if weightage factors are taken as numerical constants they do not properly reflect the universally accepted ideas as to the relative importance of different items of work *in the context of such situations as lack of sufficient attention to all items of work, lack of balance in discharging the different duties cast on an officer etc.* To express these complications it is necessary not to make $w_1 \dots w_n$ mere numerical constants but to make them *functions* of the measures $a_1 a_2 a_n$.

Thus in order to make the total index N_A correctly representative of the performance of any office A it is necessary that $w_1 = f_1(a_1 \dots a_n)$; $w_2 = f_2(a_1 \dots a_n)$ and so on.

It is not easy to find out the forms of $f_1, f_2 \dots f_n$. However, it is clear that for very small values of a_1 (*i.e.*, values much below the average value of a_1) f_1 must be *negative*. (This expresses the general idea that more or less total neglect of any one item of work brings down the estimate of the total performance of the office very sharply and cannot be counterbalanced merely by work greater than the average in other items.)

The only satisfactory practical way of finding out the forms of the functions $f_1 \dots f_n$ appears to be as follows : We must first take a large number of similar offices A, B and then measure $N_A N_B N_C$ for each of these offices. The inspecting officer should then write down the various offices A, B in order of their overall performance. Thus he could say that the performance of office C is better than that of office B and the offices $A B C D$ could be arranged in order of their performance in his estimate. While writing down this order he should take into account the actual values of a_{ns} for the different offices and also consider the relative importance of the different works and the stage of neglect etc. in the different items of work and all other relevant considerations. After arranging the offices $A B C$ in order of their performance we shall get a series like $C B E$ etc. Now $f_1 \dots f_n$ should be so chosen that N_C is greater than N_B , N_B is greater than N_E and so on.

To take a concrete case suppose we have to fix up the weightage factors for the different items of work in the taluka offices. The performance of the different talukas in a district in these items would be first measured at say six-monthly intervals on a large number of occasions. At each of these occasions the Collector would be requested to give his opinion as to the order of overall performance of the different taluka offices in his district. We shall then try to choose

$w_1 \dots w_n$ to be such fractions of $a_1 \dots a_n$ that on every occasion (at each time of measurement of work) the order of magnitude of the indices N_A, N_B etc. comes to be the same as the order of overall performance of the talukas as stated by the Collector. Once such agreement is achieved, we shall be satisfied that at least the major items of work have been properly selected for setting up the index of the performance of the taluka offices and also that the different weightage factors $w_1 = f_1 (a_1 \dots a_n)$ etc. set up are fairly suitable.

If now in a later inspection there is some slight difference between the order of magnitude of the indices N and the order of overall performance as suggested by the Collector then we might like to discuss with the Collector as to why he feels that the taluka offices should be graded differently from the series indicated by the indices N ; because we would suspect that he is giving undue importance to some items and much less importance to some other items of work. Such an interplay between the measurement of physical quantity in terms of a defined measure and the personal judgment of the magnitude of that quantity by the human experimenter is of common occurrence in the physical sciences. For instance, we first decide to use the length of the mercury column in the thermometer as a measure of temperature of the body in contact with the thermometer because this length is actually greater when the thermometer is in contact with hotter bodies than when it is in contact with colder bodies. We put some confidence in the thermometer as a measure of temperature only because in obvious cases, it does tell us whether a body is hotter or colder than another in agreement with our judgment arrived at after actually touching these bodies. Later when we come across two bodies between which we cannot easily judge as to which is hotter by touching them we accept the verdict of the thermometer. Ultimately we use the thermometer to train our hand in judging and recognising minute difference in temperature which normally the hand cannot recognise.

It is no doubt a very difficult and complicated task to satisfactorily set up the weightage factors by finding out the form of the function $f_1, f_2 \dots f_n$.

The general conclusion suggested by the analysis appears to be as follows :—

If numerical constants are used as weightage factors:

- (1) It is not desirable to use the total performance index N to compare the performance of two offices in which in any major items of work the individual performances are very widely different;

- (2) It would generally be desirable to compare the performance in each item of work instead of comparing the total performance as expressed by the performance index N ;
- (3) The performance index N would be of some use to decide the order of performance of the different offices. It is difficult to use the index to compare the relative magnitudes of these performances.

III

It is worth considering in what manner the present indices of performance of work are useful. It is my impression that the main utility in setting up such indices for performance of work is to concentrate the attention of the offices in the field on the different items of work so that some items of work are not given undue attention to the detriment of other items. Furthermore if it is found that some items are generally neglected, it should be possible to improve the situation by suitably increasing the weightage factors in respect of such items. The increase in the weightage factors would make it clear to the subordinate offices that these items are considered to deserve special attention. If the total performance indices are useful in ensuring this, even that would be of considerable utility especially in view of the fact that it is our frequent experience that very good results are often obtained in some items of work only at the cost of even average performance in other items.

The above considerations have been developed so far with a view to make clear the limitations on the practical utility of the total performance index for an administrative unit when set up as in the usual way, using numerical constants for the weightage factors for the different items. Now it is worthwhile to consider whether, on theoretical grounds we can give an alternative formula for the performance index, short of following the method described earlier and finding out appropriate forms for the weightage functions w . Surely a better formulation of performance index should be possible even if the w_s are kept as constants.

Such alternative formulas can be set up in the following way. We have seen above that if the weightage factors are taken as numerical constants, the performance index N fails to reflect such aspects of the actual performance of any office as *balance* in the achievements of the office in the different items of work. The comparative achievements in different items could be expressed as the ratios $w_1 a_1 / w_2 a_2$, $w_3 a_3 / w_1 a_1$, etc. The ideal performance of an office, or the normal average performance of a large number of actual offices, shows a certain

balance between the achievements in the different items of work, and *this balance is reflected* in the ratios $w_1a_1 : w_2a_2 : w_3a_3 : \dots : w_na_n$. If we take w_1a_1 as the co-ordinates of a point in n dimensional space, the point $(w_1a_1, w_2a_2, \dots, w_na_n)$ would represent the performance of the office as a whole in all the n different items of work, and the direction of the line joining the point of origin (zero performance in all items) to this point $N(w_1a_1, w_2a_2, \dots)$ would depend on the ratios $(w_1a_1 : w_2a_2 : w_3a_3 \dots)$.

It is easy to see that if the performance of any office is represented by such a vector N in n dimensional space, the magnitude of the total work is represented by

$$\left[(w_1a_1)^2 + (w_2a_2)^2 + \dots + (w_na_n)^2 \right]^{\frac{1}{2}}$$

and the lack of balance between the different achievements is in a sense reflected in the angle between the vector N and some other vector showing the performance of an ideal office.

We can define the standard vector S by

$$S \equiv w_1s_1 + w_2s_2 + \dots + w_ns_n$$

where s_1, s_2, \dots, s_n are so chosen that the progress w_1s_1 in the different items of work are properly balanced. (In other words the ratios $w_1s_1 : w_2s_2 : w_3s_3 : \dots : w_ns_n$ are such that we consider the total performance properly balanced and ideal.) In other words we choose S to be such that we consider the emphasis laid on the different items of work to be quite correct if the achievements in the different items of work are as represented by $w_1s_1, w_2s_2, \dots, w_ns_n$.

We can also define another vector, the normal vector \bar{N} by

$$\bar{N} \equiv w_1\bar{a}_1 + w_2\bar{a}_2 + \dots + w_n\bar{a}_n$$

where $\bar{a}_1, \bar{a}_2, \dots, \bar{a}_n$ are the mean values of a_1 etc. for a large number of actual offices. That is, \bar{N} is the average of performance of a large number of actual offices and \bar{N} is in this sense the normal performance of actual offices, at any given time.

We may then take the angle between the actual vector N and the standard vector S as the measure of lack of balance in the achievements in the different items of work as compared with the ideal performance, or we may take the angle between the actual vector N and the normal vector \bar{N} as the lack of balance in the achievements in the different items of work as compared with the normal performance.

If we want to express in a single measure both the *magnitude of the performance* in all items as well as the *lack of balance* between the performance in the different items of work such a measure would be

$$|N| \times \cos \theta$$

where $|N|$ is the absolute magnitude—

$$\left[(w_1 a_1)^2 + (w_2 a_2)^2 + \dots + (w_n a_n)^2 \right]^{\frac{1}{2}}$$

and θ is the angle between N and S (or between N and \bar{N}).

It is also possible to suggest a simpler procedure as a first approximation to a more suitable composite index. If we first examine the actual performance in a given period of a large number of similar offices and find out the average values of a_1, a_2 etc., we shall get a set of values $\bar{a}_1, \bar{a}_2 \dots \bar{a}_n$ showing the average performance of such an office in each item of work. Then the actual performance of any particular office could be defined as

$$N = (w_1 a_1 + w_2 a_2 + \dots + w_n a_n)$$

$$- C[w_1(\bar{a}_1 - a_1) + w_2(\bar{a}_2 - a_2) + \dots + w_n(\bar{a}_n - a_n)]$$

where the items $\bar{a}_1 - a_1$ are either positive or are put equal to zero : that is $\bar{a}_1 - a_1$ etc. are worked out only for values of a_1 smaller than the average performance \bar{a}_1 in the particular item of work. C is a suitably fixed numerical constant.

If such a performance index is used, the first part can be taken as the measure of actual performance of the office, and the second part can be taken as the deduction made in the valuation on account of lack of balance in the achievement in the different items of work as compared with the average performance. In the alternative we could use $a_{1s}, a_{2s} \dots a_{ns}$ i.e., ideal standard performances in the above formula, instead of the average performances $\bar{a}_1, \bar{a}_2, \bar{a}_n$.



CORRESPONDENCE

PERSONALITY TEST FOR RECRUITMENT TO SUPERIOR SERVICES

The Editor,
I.J.P.A.

Sir,

The Union Public Service Commission conducts a combined competitive examination for recruitment to the I.A.S. and allied services, which is open to graduates of recognised universities. Besides the written test, there is an interview and until recently the written examination was a qualifying test : only those who attained a minimum standard in the written test were invited for the interview. In 1957, the Government of India decided that there should not be any minimum qualifying marks in the personality tests. As a result of this decision, quite a number of those who 'failed' in the personality tests have been recruited.

Since Independence, there has been considerable controversy regarding the efficacy and importance of the personality test. Shri A.D. Gorwala in his Report, submitted to the Government of India in 1951, made a plea for the use of psychological tests in the selection of candidates.¹ It was argued in some quarters that interviews were a matter of luck; that personal factors crept in; that one could not decide a man's personality in 15 to 20 minutes. Dean Paul Appleby in his first Report (1953) opined that recruitment in India was not "aggressive

enough"; that the best talent was not attracted; that examining techniques were not up-to-date. Yet, in the same Report, Appleby declared that "India shares with Britain the distinction of having the best generalist civil servants in the world".² A recent analysis of the results of examinations held between 1947 and 1955 showed that roughly *one out of five* candidates qualifying at the written test had a chance of being called for the interview. And out of every three candidates thus interviewed two were disqualified. Some of those who were disqualified had done extraordinarily well at the written examination.³ Shri Asok Chanda seems to agree with the general feeling that since the performance of a candidate in the *viva voce* is conditioned by his social background, the system gives a candidate from the upper social strata a natural advantage. Shri Chanda observes : "It is obvious that the *viva voce* test should not be dispensed with but the old practice of treating the examination as a whole should be reintroduced. While the development of personality can be assisted after entry into service, with proper guidance and encouragement, intellectual deficiency can hardly be so made good."⁴

* * *

In their First Report the U.P.S.C. considered the arguments against the interviewing system. They

¹*Report on Public Administration*, New Delhi, The Manager of Publications, Government of India Press, 1951, p. 62.

²*Public Administration in India—Report of a Survey*, New Delhi, Cabinet Secretariat, 1953, p. 29.

³*I.J.P.A.*, April-June 1957, p. 153.

⁴*Indian Administration*, London, George Allen and Unwin Ltd., 1958, p. 115.

admitted that instances of candidates scoring high marks at the written test and mediocre or even extremely poor marks at the *viva voce* were a normal feature in India as also in other countries. But it would be erroneous to conclude on the basis of these instances, the Commission argued, that there was something wrong with the whole system. "The criticism is based on the assumption that the scoring of high marks in the written test is a decisive evidence of the candidate's mental calibre. The Commission's experience ... does not bear this assumption out and that is the main reason why the Commission had to think of some more conclusive test of the mental calibre and personal qualities of candidates. That is how a minimum qualifying mark in the *viva voce* first came to be made compulsory about the year 1943—particularly in connection with the Indian Audit and Accounts Service Examination—after full consultation with the Government". The Commission further emphasised that "A written test is no doubt some evidence of the intellectual development of the candidate but with the widely acknowledged deterioration in the standards of our university degrees, it has become, in many cases, more an evidence of the power to memorise book knowledge than of genuine mental qualities."⁵... "The Commission obtain from their examiners an assessment of the standard of knowledge and education reflected in the papers which they examine. They have been much concerned to note that only a very small fraction of the candidates

displays real grasp of their subjects and a reasonable level of mental development. This state of things has been brought to the notice of the Ministry of Education for being taken up with the universities. The Chairman and members of the Commission have also been drawing the attention of universities and educationists to the matter in the course of their unofficial contacts with the latter."⁶

Four years later, the U.P.S.C. invited attention to paragraphs 12, 9, 10 and 10 of their first, second, third, and fourth reports respectively and stated that the Commission's experience during the year (1954-55) further confirmed their conclusion that any relaxation of the personality test was likely to affect the quality of recruits.⁷ In their seventh report, the Commission pointed out that "it should be seriously examined whether the present educational system provides adequate facilities and opportunities for the enlargement of the mind and development of the character and personality of our students. So long as the system of education in schools and colleges does not serve this purpose adequately, the personality tests, whatever may be their imperfections, will have to play an important role in the selection of candidates for public services."⁸

The Commission have thus consistently maintained that minimum qualifying marks in the interview are necessary because the written examination cannot, in the present circumstances, be a completely reliable guide to the candidate's

⁵*First Report of the Union Public Service Commission*, New Delhi, The Manager of Publications, Government of India Press, 1951, p. 5.

⁶*Ibid.*, p. 6.

⁷*Fifth Report of the Union Public Service Commission*, New Delhi, The Manager of Publications, Government of India Press, 1955, p. 11.

⁸*Seventh Report of the Union Public Service Commission*, New Delhi, The Manager of Publications, Government of India Press, 1957, p. 6.

ability. It is true that the I.A.S. and the I.F.S. can be proud of possessing some of the best men in the country; but these young men who have been thrown up by the present recruitment system constitute only a fraction of the 6,000 candidates who actually take the examination. A good number of candidates fail through nervousness, blustering, and attempting to hoodwink the Commission.⁹ Considering this fact, and the rapidly deteriorating standards of education, it is not a matter of surprise that the Commission are able to size up most of the candidates in a short while. In their first report, the Commission said: "No human judgment can claim to be completely free from the element of subjectivity but, after carefully reviewing the matter, the Commission have come to the conclusion that a board... can be expected to size up the trend of the personal qualities of young men even after a conversation of 15 to 20 minutes."¹⁰

* * *

In spite of this long and sustained experience of the Commission, the Ministry of Home Affairs decided in 1957 to do away with the minimum marks for the interview. Perhaps the Ministry of Home Affairs did not consult the Commission before making this vital innovation. The Commission possibly are not happy at the attitude of the Home Ministry but they have kept an open mind and have decided that they will be studying the effect of this vital change on the efficiency of candidates appointed to the Services without

their having secured a minimum marks at the interview.¹¹ The Home Minister is said to have referred to a case of a candidate who secured only 15 marks out of 100 one year in the personality test but got through the next year. The Minister, it is reported, thought that it was a mystery how the candidate developed his personality in the course of one year.¹² The U.P.S.C. perhaps would not deny the veracity of this statement because over the years they would have come across similar cases. Yet their reports indicate that they were in favour of the retention of the interview.

The Commission are constitutionally charged with the responsibility of conducting examinations for appointment to the services of the Union and have to be consulted on all matters relating to methods of recruitment to civil services. It is really surprising that their experience of several years in the matter of personality test has not been given fuller consideration by the executive. This is hardly in consonance with the spirit that lies behind the creation of the Union Public Service Commission. The Commission have built up in their Reports a fairly strong case for retaining the interview as the final phase of the selection process.

Yours faithfully,
S. P. AIYER

Bombay,
April 1, 1960.

⁹See A.A.A. Fyze, "On Interviews", *I.J.P.A.*, July-September 1956, pp. 204-205.

¹⁰First Report, *Ibid.*, p. 5.

¹¹*Eighth Report of the Union Public Service Commission*, New Delhi, The Manager of Publications, Government of India Press, 1958, p. 5.

¹²*The Civic Affairs*, December 1957 (Editorial), p. 3.

II

ORGANISATION FOR OPTIMUM PRODUCTIVITY

The Editor,
I.J.P.A.

Dear Sir,

With the expansion of the governmental responsibilities in the public sector, there is a great need today that Government should be more 'businesslike' in regard to the management of state enterprises as well as that of ventures like co-operatives where people participate in governmental efforts.

Insufficient attention seems to have been paid to the practical problems of running the co-operatives, particularly to the assistance which the Government can give in the organisational aspects.

It will interest the readers of the *Journal* to know how they approach the problem in the Hawaii Islands.

As is known, sugar industry is the main industry in the Islands. The planters—and most of them are small planters—produce the sugar-cane and supply to one or more of the many mills.

The mill managements advance amounts to these small planters to be adjusted at the time of the supply of sugar-cane produce. This turns out to be more than financing production. This is enabling good living round the year.

The rates the mills pay depend upon the quantity and yield but they have to be ratified by the State. This is found to prevent exploitation of the farmer by the financier.

* * *

Four helpful organisational approaches are noticeable here :

At the preparation or pre-production stage, the men pool together and avail of the mechanical and other aids on a co-operative basis. In other words, wherever pre-production is involved, the organisation is

preferably co-operative so that at a minimum cost maximum facilities can be made available to all the members concerned.

At the production (planting and plucking) stage, it is left to the resources of the individual. In other words, where actual production is involved, the organisation can be either on an individual or family basis so that full scope is given to individual initiative and accumulated skill, and the sense of private property is not violated.

The financial arrangement is provided by the consumer on an advance basis. In other words, the financial organisation can be that of the consumer making available advance amounts to the producer so that he may not merely get his working facilities in time but live at an even standard of living even while he is producing.

And finally, the governmental organisation regulates the practices of the mills so that no undue advantage is taken of the financial situation of the small producer.

This fourfold organisational approach to the main industry in Hawaii Islands seems to make for a high-level productivity on the one hand and even standards of living for the farmers on the other.

The point to remember is this : The organisational requirements vary from situation to situation even in the same industry. Agricultural industry in India has similarities to the sugar industry in Hawaii and organisational adjustments may help us step up our food production without major alterations or expenditure.

Yours truly,
N. H. ATHREYA

Bombay,
May 1, 1960.

RECENT DEVELOPMENTS IN PUBLIC ADMINISTRATION

(I) INDIA

Increasing efforts have been directed in recent months to cut down mounting administrative expenditures and to deploy personnel found surplus. The Central Government has imposed a ban on all fresh recruitment which is not related to the Plan and a special cell has been set up to assist in the deployment of the retrenched personnel. A recent enactment, which came into force on May 1, 1960, requires employers to notify compulsorily to Employment Exchanges certain categories of vacancies and also furnish them staff strength returns at regular intervals. The Rajasthan Government has made a cut of 5 per cent in their existing strength of the ministerial staff.

The trend towards the strengthening of services and liberalisation of recruitment policy continues. The Central Information Service was formally established on March 1. A Ministerial Class I Service has been formed in Jammu and Kashmir and the District Attorney Service in Punjab. The Punjab Government has also amended the Punjab Civil Service (Executive Branch) Rules, 1930, to provide that Government servants holding ministerial appointments will be eligible to take the examination to the P.C.S. (Executive Branch) provided they possess a degree and have not attained the age of 35. In Mysore, the State Government has revised the rules in regard to age concessions to provide that in the case of Government servants who have completed

one year of service, the upper age limits for applying for "other" posts in Government will be 37 years for members of Scheduled Castes and Tribes and 35 years for others. The Rajasthan Government has recently held an examination for emergency recruitment to the Rajasthan Administrative Service to meet the requirements of the scheme of democratic decentralisation. Fifty posts of Block Development Officers have been included in the permanent cadre of the Service. At the Centre, the sanctioned strength of the Indian Administrative Service has been raised to 1971.

An allied trend visible is the extension of the scope of the Public Service Commissions. The Punjab Government has ordered that in future recruitment to all posts carrying a salary up to Rs. 159 per month should be made through the Subordinate Services Selection Board and that posts carrying a salary of over Rs. 160 per month should be filled through the Public Service Commission. The Mysore Public Service Commission (Conduct of Business and Additional Functions) Act, 1959, invests the State Public Service Commission with the additional functions of (1) making selections for recruitment to the services of local authorities, which include municipal councils, committees and corporations, town committees, sanitary boards, taluka boards, village panchayats or any other authority constituted for the purpose of local self-government or village administration

and (2) holding departmental examinations for those already in service. In U.P., 33 per cent of the recruitment to the ministerial posts in the subordinate offices will in future be made by a competitive test.

* * *

In the field of O & M, the most important recent development has been the provision of a common head for the O & M Division and the Special Reorganisation Unit. *Shri Indarjit Singh*, I.A. & A.S., Joint Secretary in the Ministry of Finance, who has been in charge of the Special Reorganisation Unit for some considerable time now, and who is also Secretary to the Committee on Plan Projects, has been given the additional charge of the post of Director, O & M Division in the Cabinet Secretariat. The Estimates Committee in its 55th Report had stated that it did not consider that there was adequate justification for maintaining the S.R.U. and the O & M Division as distinct units under two different departments; it had further recommended that the two should be combined into a single organisation under the Ministry of Finance. After carefully considering these recommendations, the Government of India concluded that, while there was no need to merge the two organisations, it would be useful, for some time to come, to place both the S.R.U. and the O & M Division under the same officer in order to obviate duplication of work, the possibility of divergent advice being offered and occasions for any impression in the Ministries that the two organisations were performing identical functions.

* * *

While the Andhra Pradesh Government has issued instructions

prohibiting the employees of its Commercial Taxes Department from having dealings (except in the ordinary course of trade or business) with any dealer within their jurisdiction, the Madhya Pradesh Government Servants' (Conduct) Rules, 1959, contain, among others, a distinctive provision prohibiting the consumption of intoxicants. A noteworthy development, in West Bengal, has been the establishment of a 4-member Police Commission under the chairmanship of *Shri K.C. Sen*, I.C.S. (ret'd.). Among the terms of reference of the Commission are : (1) to enquire whether the strength of the Police Force on all its branches (armed and unarmed) is adequate and whether the supervisory and administrative machinery is adequate; (2) yardsticks for strength of different ranks; (3) territorial areas of jurisdiction; (4) powers and duties of the police so as to make it suitable to meet modern needs; (5) changes, if any, in regard to recruitment, training, disciplinary control, promotion and other conditions of service including recreational facilities and welfare measures; (6) changes, if any, in the Rural Police system to make it effective in the performance of police duties and to integrate its work with that of the Regular Police; (7) relations between the two Police Forces (Calcutta and West Bengal); (8) investigation of crime: causes, and delays; (9) prosecution in Court and causes of delays due to failure of prosecuting staff to be ready with witnesses, documents, etc.; (10) better relations between the Police and the public; and (11) corruption : nature, extent and forms.

* * *

The State Government of Andhra Pradesh has, by an amendment to the Fundamental Rules and the Subsidiary Rules made thereunder, laid down that the extraordinary leave

availed of by a Government servant for the purpose of higher scientific and technical studies shall be allowed to count for increments in the time-scale attached to the post in which he was officiating at the time he proceeded on such leave, provided (a) the officer has put in at least three years of service under the Government, (b) a certificate is given by the appointing authority that the officer would have continued to officiate in that post or a post in the same time-scale but for proceeding on leave, and (c) the officer agrees to serve the State for five years after return from such studies.

* * *

An important recent change in the policy of the Government of India which is likely to have a great impact on the social system relates to the reference to caste and sect in official records. The Government of India has, in a recent communication to the States, asked them to delete the reference to caste or sect in registers or forms used for purposes of services, education, judicial proceedings, etc. The new forms or registers will seek information only on nationality, religion and whether a person is a member of the Scheduled Castes and Scheduled Tribes. The column on religion will be retained because such information is likely to be useful in connection with the compilation of vital statistics and for the maintenance of records.

* * *

The Government of Assam has decided to establish forthwith four Staff Committees, one each for the following classes of employees : (1) Ministerial Officers of the entire Secretariat (including P.W.D.), (2) Ministerial Officers of the offices of Heads of Departments,

(3) Ministerial Officers of the various districts and Sub-Divisional Offices, and (4) all Grade IV Employees under the Government of Assam. Provisional constitutions have also been framed for these committees.

The objects of the Staff Committee are : (1) to consider suggestions for improving standards of work, and (2) to provide means of personal contacts between officers and members of staff with a view to developing cordial relations between them and encouraging them to take keener interest in their work. The Staff Committee shall be an advisory body and may discuss any matters relating to : conditions under which the members of staff are required to work; general principles regulating conditions of service; welfare; and improvement of efficiency and standards of work. There shall be no discussion of individual cases. Nothing shall be regarded as a recommendation of the Committee unless it has been agreed to by a majority of the representatives of the Government on the one hand and a majority of the representatives of the members of staff on the other. The Secretary shall submit the proceedings of the Committee to the Chief Secretary to the Government for necessary action, through the Chairman, inviting the attention of the Chief Secretary to the points of disagreement between the staff representatives and officers representing the Government. All the suggestions and recommendations made by the Committee shall be considered by the Chief Secretary and the action taken thereon and the report of the progress made shall be presented by the Chairman at the next meeting of the Committee.

The U.P. Government has formed, on an experimental basis, a Staff Council consisting of representatives of Government and staff in the

Secretariat. The Council is an advisory body with the following main objects : (1) to discuss matters relating to methods and conditions of work in the Secretariat; (2) to discover the views of the members of staff and to prepare them for new methods of work so as to bring about general improvement in quality; (3) to provide to the members of the staff a machinery for making their points of view known to Government on matters affecting their working conditions; and (4) to provide means of personal contacts between officers and staff with a view to developing cordial relations between them and encouraging them to take keener interest in their work. Discussion of individual cases shall not, however, be permissible.

(II) ABROAD

The British Government has, in a White Paper on the Status of the Post Office, announced its intentions to put the Post Office on a commercial footing. Chief among the White Paper proposals is the establishment of a statutory trading fund to be managed by the Postmaster-General. The fund will be quite separate from the Exchequer, with no responsibility on the part of the Treasury. The White Paper observes, "The Post Office must be free to make quick decisions; it must be free to use the criteria applied in the world of commerce for gauging efficiency; it must be free to innovate and develop as a business seeking to meet and anticipate its

customers' demand."

Parliament will continue to examine Post Office affairs in many ways. The borrowing of new capital will have to be authorised by legislation, and "it is intended to provide that, in future, all Post Office tariffs shall be fixed by or under regulations subject to negative resolution." (Now, some are subject to Parliamentary control, others are not.) Treasury control will be restricted to three things : pay, grading and conditions of service of staff; investment control, including control of borrowing for the purpose of financing it, as for the public sector generally; and foreign exchange control.



INSTITUTE NEWS

A seminar was organised by the Institute on "Public Administration—Study, Teaching and Research", from March 7 to 11. The participants included representatives from 21 universities and the two Visiting Professors at the Indian School of Public Administration—*Prof. W.A. Robson* and *Prof. Arthur W. Macmahon*. The subjects of discussion were: The place of Public Administration in the curriculum; syllabus and teaching methods; methods of research; comparative and international administration as field for attention in teaching and research; and India's distinctive needs in the teaching of Public Administration and research.

A 'Round Table' on "The Development of Sound Management Practices" was held on March 7. *Prof. Herbert A. Simon*, Professor of Administration and Head of the Department of Industrial Management, Graduate School of Industrial Administration, Carnegie Institute of Technology, U.S.A., opened the discussion. Another 'Round Table' on "Education and Training for a Developing Economy" was organised on April 8.

A Conference on "Co-ordination—Its Role in Social Welfare Administration" met on March 26-27 under the chairmanship of *Shrimati Durgabai Deshmukh*, Chairman, Central Social Welfare Board. It

considered the contemporary problems of co-ordination in and among governmental organisations (centre, states and others), co-ordination between government and non-governmental organisations; and co-ordination among voluntary organisations.

The second Short-term Course on "Local and Municipal Government with Special Reference to Cantonments", for Military Lands and Cantonments Executive Officers, was organised from April 11 to May 5 by the Institute on behalf of the Ministry of Defence. It was inaugurated by *Shri V.K. Krishna Menon*, Union Minister for Defence, the concluding session was addressed by *General K.S. Thimayya*, Chief of the Army Staff. Twenty Officers attended the Course.

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The membership of the existing Advisory Board of the Indian School of Public Administration has been expanded from 7 to 11. A new Academic Committee has been set up. The School Advisory Board will be in charge of policy and administrative matters, the Academic Committee of matters relating to courses, examinations, etc. The 1960-61 session of the Master's Diploma Course in Public Administration will begin on July 15, 1960.



DIGEST OF REPORTS

ESTIMATES COMMITTEE, 1959-60, 80th REPORT (PUBLIC UNDERTAKINGS—FORMS AND ORGANISATION), New Delhi, Lok Sabha Secretariat, 38p.

(1) The number of statutory corporations and government companies rose from 4 and 4 in August 1947 to 15 and 45 respectively in 1959-60. One aspect of this growth in number is that the functions of many of the newly set up undertakings appear to be similar and overlapping to a certain extent.

(2) (i) After considering the matter of multiplicity of public undertakings,* the Estimates Committee generally agrees with the view that the pattern should be to utilise the existing organisations to take up new activities in the line instead of creation of new bodies for the purpose. This way of building up of public undertakings gains added justification in view of the limited availability of managerial and technical manpower in the country. But this does not mean that where a line of activity has the character of being or becoming huge and monopolistic and is not of strategic significance more than one unit should not be set up for the purpose. Subject to such a consideration before a new undertaking is set up the possibility of entrusting it to an existing undertaking in the same line should be considered. (ii) The feasibility of reducing the existing number of public undertakings by amalgamating some of them may also be examined.

as departmental organisations, some as statutory bodies created under specific statutes, while the largest number have been incorporated under the Companies Act as joint stock companies. It seems that no well-defined principle has been followed in determining the form of organisation of the public undertakings....The form of organisation of an undertaking is of vital importance from the point of view of parliamentary control. (ii) All wholly State-owned public undertakings should generally be in the form of statutory corporations or, where necessitated by special reasons, in the form of departmental undertakings and the company form should be an exception to be resorted to only for organisations of a specified nature such as : (a) when the Government may have to take over an existing enterprise in an emergency; or (b) where the State wishes to launch an enterprise in association with private capital; or (c) where Government wishes to start an enterprise with a view eventually to transfer it to private management. (iii) An expert committee should be appointed to examine the whole question and to advise the Government on the principles which should determine the appropriate form of organisation for the various types of undertakings.

(3) (i) Public undertakings have been set up in various forms, some

(4) (i) There is a great deal of diversity among the undertakings

*The term public undertakings has been used in the report in a general sense meaning primarily state enterprises of industrial, commercial or financial nature of the Central Government.

even in other matters such as the administrative set-up, finance, government control, accounting, audit and parliamentary control. (The various provisions relating to the audit of the statutory corporations and to the powers of the statutory corporations and government companies in respect of making appointments and incurring capital expenditure are given in Appendices III & IV to the Report.) (ii) While it is most desirable to have all the public undertakings conform to a common pattern or patterns both from the point of view of efficient administration and of accountability to Parliament, some individual variations are inevitable due to the special characteristics and functions of a particular undertaking. Such deviations should not, however, affect basically the overall pattern of organisation and responsibility. It is, therefore, desirable to lay down a framework of such an overall pattern. (iii) It would be desirable to have also in India a law similar to that of general laws of U.S.A. and Canada to govern both statutory corporations and government companies. (Extracts from the Government Corporation Control Act, United States Code, 1946 edition—Chapter 14, Financial Control of Government Corporations—, and

extracts from the Financial Administration Act, 1951, of Canada, are given in Appendix V to the Report.) (iv) In an underdeveloped country there is need for sufficient elasticity to permit of necessary variations. What is necessary is to strike a just and workable balance between autonomy and control.

(5) (i) To ensure that Parliament is fully acquainted with all the aspects of a projected company and to enable it to express its considered views in future before a public undertaking is set up in the form of a government company, a resolution seeking the approval of Parliament for the formation of the company may be moved. (ii) If for any reason this procedure cannot be followed the following steps may be taken : (a) The provision in a Demand for Grant for investment in a joint stock company might be indicated in Part I of the Estimates, (b) A notification may be issued by Government for the setting up of a government company and a draft of the same might be laid on the Table of the House before a company is registered, and (c) The Memorandum and Articles of Association of a government company as also any subsequent amendments thereto might be laid before the House.

DIRECT TAXES ADMINISTRATION ENQUIRY COMMITTEE REPORT, 1958-59. The Manager of Publications, Government of India Press, New Delhi, 1960, v, 578 p., Rs. 8.00.

The Direct Taxes Administration Enquiry Committee was appointed by the Government of India in June 1958 and it submitted its report in December 1959. The report covers a wide range of subjects, viz., assessments, appeals and revisions, collection and recovery, evasion and avoidance, etc. Among the conclusions and recommendations made by the Committee, the important ones are :

I. Organisational Matters

(1) It is neither practicable nor desirable to divorce administration entirely from policy making. The Central Board of Revenue should continue to function as the Department of Revenue. It will facilitate the joint functioning of the Central Board of Revenue, to a large extent, and result in a more efficient

administration of the different tax laws, if the administration of the direct taxes and that of indirect taxes are entrusted to two separate Boards. However, as the new direct taxes have been introduced recently, and the bifurcation of the present combined Board might involve additional expenditure, the formation of two separate Boards for direct and indirect taxes is not immediately necessary. For the present, there should be two distinct Wings of direct and indirect taxes in the Central Board of Revenue with a common Chairman. After examining the working of the two separate Wings, Government may consider the feasibility of constituting separate Boards for direct and indirect taxes.

(2) There should be a separate Secretary for the Department of Revenue; this post and that of the Chairman of the Central Board of Revenue should be combined. The Board should have one more Member to look after the general administrative and organisational matters relating to direct taxes.

(3) It should be laid down that each Member of the Central Board of Revenue can function independently on behalf of the Board in respect of the specific work allotted to him and that all orders passed by him should be treated as orders of the Board. On matters of administrative policy as well as those relating to promotions and postings of officers, all the three Members along with the Chairman should take a joint decision.

(4) At least half the Members of the Central Board of Revenue dealing with direct taxes should be selected from amongst the officers of the Department. The tenure of appointment as a Member should normally be five years.

(5) The existing three Directorates of Inspection should be re-organised into the following four

Directorates : (a) Directorate of Inspection; (b) Directorate of Investigation and Intelligence; (c) Directorate of Vigilance; and (d) Directorate of Training, Statistics, Research and Publications.

II. Personnel

(1) The recruitment of the officers of the Income-Tax Department to the Central Administrative cadre (Pool) should be increased considerably and greater facilities made available to them to acquire experience of other work.

(2) The officers and other staff in the administrative and technical sections of the Central Board of Revenue should be appointed, as far as possible, from amongst the departmental personnel, who have field experience. There should also be a periodical exchange of officers and staff between the Board and the field offices.

(3) (i) The Class II cadre of the Income-tax Officers should continue. (ii) There should be only one grade for Class I service with an integrated pay scale. (iii) The number of Class I posts of Income-tax Officers should be increased by about 100 and a corresponding decrease made in the number of Class II Officers. The present sanctioned strength of the Income-tax Officers should be increased by about 50.

(4) (i) Each tax office except that of the Appellate Assistant Commissioner should have a whole-time supervisory officer. (ii) There should be one supervisory officer for every ten clerks and out of the total supervisory posts at least one-third should be in the cadre of Supervisor. Merging the cadre of Head Clerks with that of Supervisors is not favoured. (iii) Grade II cadre of Supervisors should be abolished and there should be only one grade of Supervisors. The present pay scales of the two grades should be integrated for

this purpose. (iv) There should be Administrative Officers of Gazetted rank in the offices of the Commissioners and Directorates.

(5) (i) Both direct recruitment and promotion in specific proportions are necessary to secure a correct and balanced blending of fresh talent and mature experience. (ii) The normal quota for promotion to the cadres of Inspectors and Upper Division Clerks should remain at 50 per cent as obtaining at present, and no direct recruitment need be made to the cadre of Class II Income-tax Officers. (iii) Merit and efficiency should be the sole criteria for filling of selection posts in any cadre and quality should not be sacrificed merely for reaching the quotas fixed. (iv) The ministerial staff should also be recruited on the basis of open competitive examinations; preference should be given to persons possessing commercial and accountancy qualifications; final selection should be made by committees consisting of at least three persons.

(6) (i) There should be a whole-time Principal in charge of the Training College for Income-tax Officers, to be assisted by a complement of full-time instructors in the various subjects. (ii) The College should provide specialised training for sixteen months, after the four months' foundational training course for all services. Adequate instruction should also be given in the techniques and problems of public relations and administration. (iii) The College should organise regular refresher courses of four months' duration for senior assessing officers with five to eight years of service. (iv) Officers appointed as Income-tax Officers on promotion from the lower ranks should be given a restricted course of training for at least six months. (v) Selected Assistant Commissioners should be sent periodically to the

Administrative Staff College at Hyderabad for an all-round advance course in administration and management. (vi) There should be four regional centres for training of Inspectors, each under the charge of a senior Income-tax Officer.

(7) The present forms of annual confidential reports should be rationalised. The countersigning officer should, in particular, give his own views about the suitability of the person reported upon for promotion to the next higher grade.

(8) (i) The existing restriction of not permitting a person to appear in the departmental examination for a higher grade until he is actually working in the immediate lower grade should be relaxed. (ii) A period of five years should be fixed for taking the next higher examination after the person concerned has passed the lower examination. (iii) The benefit of granting two advance increments on passing the departmental examination for the next higher grade should be made available to all categories of staff including the stenotypists and stenographers and not limited to the minimum of the pay scale of the next higher grade.

(9) (i) The officers of the Income-tax Department, in particular, require special consideration in respect of pay scales and conditions of service having regard to their nature of work and the difficult duties they have to perform. (ii) The pay structure of all ranks, specially in respect of the gazetted officers of this important Department, should be commensurate with their powers and responsibilities. (iii) The delay in confirming temporary and officiating officials should be avoided, and such of the temporary posts as have been in existence for more than three years and which are not likely to be

discontinued should be made permanent. (iv) Periodical transfers of staff from one station to another and from one post to another are necessary, but they should not be too frequent. (v) The Government should, in consultation with the Comptroller and Auditor General, devise suitable means for avoiding delays in the issue of pay slips, payment of leave salaries and settlement of pension, gratuity and provident fund claims, etc.

(10) Apart from the Central Directorate of Vigilance, there should be vigilance sections in each Commissioner's charge for organising and co-ordinating the vigilance work in the charge and for making expeditious enquiries into complaints received and early finalisation of the disciplinary proceedings.

(11) All officials of the Income-tax Department should be required to send every fourth year a complete statement of their total wealth, both immovable and movable, including those in the names of wife and children and other family members. The Income-tax assessments of the gazetted officers of the Department should be centralised in a circle at headquarters.

(12) Accepting of gifts on weddings and other occasions from other than relations or close friends and the acceptance of private hospitality, free entertainments and other obligations from the public by the officers should be strictly discountenanced.

(13) The Government should take a policy decision so as to prevent the officers of the Department leaving Government service prematurely and joining private employment.

III. Public Relations

(1) The Central Board of Revenue should see that its instructions prohibiting the officers from

fixing up all the cases at the same hour of the day, and requiring them to call the assesses at suitable intervals distributed throughout the day, are scrupulously followed and the daily cause list placed on the notice board.

(2) All complaints of inconvenience in the tax offices should be quickly remedied. Adequate and proper amenities, such as waiting rooms, furniture, reading material, cool drinking water, canteens, public telephones, sanitary arrangements, parking space, etc. for the assesses and their representatives should be provided in all tax offices.

(3) Greater attention should be paid to organised departmental publicity, and more tax literature in the form of pamphlets, booklets etc. dealing with the various branches of taxation should be issued. Detailed explanatory notes about the various forms of returns should also be made freely available to the public. The Department should also publish a Tax Journal. The various notifications and circulars issued by the Central Board of Revenue having a bearing on the application of the taxation laws and affecting the assesses' interests, directly or indirectly, should be made known to the public.

(4) All the gazetted officers of the Department, in particular, the Inspecting Assistant Commissioners and the Commissioners, should keep their doors open for any member of the public to walk in and voice his grievances. These officers should, for the sake of convenience, keep certain fixed hours every day for the public to meet them. Complaint and suggestion boxes should be provided in all tax offices including those of the Assistant Commissioners, Commissioners and Appellate Tribunal Benches.

(5) (i) The Public Relations Officers can prove very useful and helpful in promoting better relations

between the Department and the public. (ii) There should be a whole-time P.R.O. in each 'charge' of Commissioner of Income-tax. (iii) The Public Relations Officers in important places like Bombay and Calcutta should be of the rank of Assistant Commissioners, and those in other places should be at least senior Class I, Grade I officers. (iv) One of the Members of the Central Board of Revenue should be in specific charge of 'public relations'.

(6) People should be educated with regard to the real object of the collection of direct taxes, through press, radio and films. Steps should also be taken to convince the taxpayers that the money collected through taxes is not spent wastefully but put to proper use.

IV. Other Matters

(1) Internal audit parties for conducting post-audit of tax calculations, etc., should be established on a permanent footing in all Commissioners' charges and they should be adequately staffed. There should also be a more comprehensive and systematic pre-audit of tax calculations than is being done at present.

(2) Assessing officers should be administratively required to report, to their higher authorities, cases where assessments have not been completed within twelve months from the date of the filing of the returns, giving reasons therefor.

(3) Two Appellate Commissioners who would be of the same status and rank as Commissioners but functioning under the administrative control of the Ministry of Law should be appointed for exercising administrative control over the Appellate Assistant Commissioners, and for carrying out annual administrative inspections with a view to ensuring quicker disposal of work and the maintenance of uniform standards in

their approach to problems. In addition, they will also hear appeals on assessments made by Inspecting Assistant Commissioners as well as function as Appellate Controllers of Estate Duty.

(4) More importance should be given to external survey work, by reorganising the Survey Circles and augmenting the staff in them. In larger cities like Bombay, Calcutta, Madras and Delhi, an Inspecting Assistant Commissioner should be placed exclusively in charge of survey work.

(5) The Special Investigation Branches should be reorganised and placed under the charge of Assistant Commissioners in Bombay and Calcutta and under senior Income-tax Officers in other charges.

(6) The feasibility of requiring the banks and other credit institutions to give names and addresses of their constituents, the sum total of whose deposits or withdrawals exceeds rupees one lakh a year, should be examined by Government, in consultation with the Reserve Bank of India. The Life Insurance Corporation should be statutorily required to furnish the name and address of every person taking life insurance policies for sums aggregating to Rs. 50,000 or more, whether in his own name or jointly with another. The general insurance companies should also be statutorily required to furnish brief particulars of general insurance policies of the value of Rs. five lakhs and above, whether taken under one cover or more than one cover by the same person.

(7) Any industrial or public utility undertaking run as a department of the State Government should also be subjected to tax and, for this purpose, provision should be made in law as envisaged in Article 289 (2) of the Constitution.



BOOK REVIEWS

YOUR OBEDIENT SERVANT; By SIR HAROLD SCOTT, London, Andre Deutsch, 1959, 192p., 15s.

This is a publication by a British Civil Servant who has held important appointments and served under distinguished statesmen and administrators, some of whom, *e.g.*, Sir John Anderson, Sir Stafford Cripps and Sir Harold Butler, are well known in India.

The period during which Sir Harold Scott served (1910-52) witnessed great changes not only in the U.K. but also throughout the world. From a policy of *laissez-faire*, Government moved to the concept of a welfare state or, as President Roosevelt described it, "Enlightened administration". As a result, the Government offices, which were called upon to undertake fresh tasks and shoulder new responsibilities, began to expand. The process of expansion has continued long after the cessation of hostilities which started it. To some this is the operation of Parkinson's law, while to others it is the inevitable consequence of the shift from the old order to the new. Sir Harold's career shows that there is much to be said for the latter point of view though, of course, the danger from unnecessary expansion is always there.

The interesting feature of Sir Harold's career is the nature and variety of the posts which he held before, during, in between and after the two world wars. In the First World War he had to deal with measures necessary to make the blockade of Germany effective; later when the war was coming to its close, he worked under Sir Harold Butler

on the plans for general demobilisation. With the advent of peace communist activities in the U.K. engaged his attention culminating in the general strike and the Arcos raid. In 1932 Sir Harold Scott was appointed to the post of Prison Commissioner, which was no doubt more congenial to his temperament because it enabled him to take a leading part in the gradual process of humanising prison life. This required not only administrative efficiency and human sympathy but also patience and courage to counter the persistent charge of "mollycoddling prisoners". With the outbreak of the Second World War he was responsible for organising civil defence and the A.R.P. in London and was later transferred to the Ministry of Aircraft Production where he served under Sir Stafford Cripps. Soon after the surrender of Germany he became Commissioner of Scotland Yard and served the eight concluding years of his career in this appointment. Here he found full scope for his administrative as well as literary talent. His book on Scotland Yard is regarded as a guide to police administration in the U.K. and many other countries. Its distribution, to quote Sir Harold, "exceeded my wildest hopes".

A career so varied and important, both in war and peace, is bound to be of interest to the young administrator. In the postscript the author gives the lessons of his own life's experience. He points out that "the civil servant acquires the knack of passing on from one field to another at short notice smoothly

and efficiently". To what extent this can continue with the tendency towards greater specialisation may be a matter for speculation, but flexibility and adaptability are two important qualities in a civil servant that will always be essential for administrative efficiency.

The young Indian administrator can learn much from this book that can help him in his career. In this connection two quotations are of interest.

"If a wide general knowledge is

useful, even more valuable is a knowledge of people. It is very important that the young administrator should not retire into his shell when he leaves his office, but should mix with all kinds and conditions of people. From them he will learn things that are not in his file."

"It is a good rule for the young administrator to remember that in most things a good decision quickly and vigorously followed up is better than the ideal decision interminably delayed."

S. LALL

THE MINISTRY OF LABOUR AND NATIONAL SERVICE; By SIR GODFREY INCE, London, George Allen & Unwin Ltd., 1960, 215p.

With the growing importance of labour and manpower problems in recent years, the status and functions of national labour departments have expanded in all countries, though in varying degrees, in the present-day world. This book, written by a former Permanent Secretary to the Ministry of Labour and National Service in the United Kingdom—hereinafter referred to as the Ministry—gives a detailed and descriptive account of the evolution of that Ministry. Nobody could be better qualified for writing such a book. In the U.K., there is no tenure period for a Permanent Secretary of a Ministry and while, in this particular Ministry, such officials held the post for varying periods, the author, Sir Godfrey Ince, appears to have had the longest tenure so far, just over eleven years.

At the very outset, I wish to make one observation. While a book of this type, dealing with the administration, organisation and practices of an important Ministry, will be of interest to many, its greatest use will be to officials engaged in similar tasks in this country. Having myself held the corresponding post in India

which the author did in the U.K., I cannot help interjecting into this review, perhaps even more frequently than I should, the position in India and the lessons which we might profitably learn.

It may be news to many that the Ministry was founded only as late as in 1916. But it developed much more rapidly than perhaps several others so that, as the author observes, it is older than its years in knowledge of the practical handling of problems involving large numbers of people. While wars are the greatest evil, it is significant that many developments in the Ministry were initially necessitated by conditions arising immediately before or after the two World Wars or the unsettled conditions in the inter-war period—depression, unemployment, relief to war injured through training and other measures, rapid expansion of war industries, etc. The point has also been brought out that one major factor for increasing the functions and responsibilities of the Ministry was the awakening of the world's conscience for the establishment of social justice through an improvement of conditions of labour—this

having been responsible for the birth of the International Labour Organisation—and similarly, after World War II, great stress was laid on securing of improved labour standards in the more backward countries. The U.K. is certainly not backward but the Ministry, through its appropriate organs, is playing its role, both in the International Labour Organisation and on direct country to country basis, to assist the less fortunate countries, towards achieving the objective. At the same time, it is significant that though highly advanced today, the need for a fair deal for labour was not fully recognised even in that country, a century ago. A law enacted in the U.K. in 1800—apparently the first labour law—was one forbidding workmen, under penalty of imprisonment, from combining together to advance their wages. It was not until the Trade Union Act of 1871 was passed that trade unions were no longer illegal at common law because of their purpose in restraint of trade. In parenthesis, it may be noted that the first labour law, enacted in India in 1859, was one providing for criminal prosecution of workmen for breaches of contract.

Besides dealing with the organisational structure of the Ministry—headquarters, regional and local—the book deals with its functions under three major heads, 'Manpower', 'Industrial Relations and Welfare' and 'International'. Each of the first two have important sub-heads and full justice can be done only by reading the book itself. Only a few points can be highlighted. The Ministry's activities are no less widespread today, with full employment achieved, as in the days of depression and chronic unemployment. In particular, employment exchanges have their part to play even in a state of full employment.

The Industrial Relations Machinery is constantly active in offering its services to the parties concerned. Today this is on a wholly voluntary basis but is nevertheless freely availed of by the parties. While admitting the importance of settling of disputes, the author observes "but it is in the unobtrusive, day-to-day work in building up negotiating machinery and constitutional arrangements in industry for settling disputes, and in the advice given to employers and trade unions in the early stages of disputes that the Department accomplishes its most valuable work". I might also draw attention to the fact that though all measures of compulsion have now been removed from the statute book, some such powers were vested in Government during the war years and the last of the laws, to be repealed, was repealed only in 1958.

In connection with the Ministry's activities towards attaining increased productivity and in recognition of the human factor in industry, the author says "These two factors—recognition of the need to provide better working conditions as a contribution to human happiness and the emergence of increased productivity as vital to the country's economic future—have therefore caused considerably greater value to be attached to the safety, health and welfare work of the Ministry". It is of interest that this is the view that I have heard the Union Labour Minister express more than once in the tripartite discussions in India, on a possible Code of Efficiency and Welfare.

One development arising out of the increased importance now attached to human relations is the existence, in the Ministry, of a Personnel Management Advisory Service whose function is to foster good human relations in industry. The interesting

feature is that in spite of the existence of specialised voluntary bodies of the highest standing, the services of this machinery of Government, wholly voluntary, are in large demand. This may be of particular interest to authorities in India.

When the author says that the Ministry "was born in a crisis and went from one crisis to another" I am reminded of how true the first part is, in regard to India itself. It was certainly the stresses and strain of World War II that brought out how inadequately equipped we were in dealing with labour problems in their many aspects. It was in such

circumstances that a completely separate Ministry of Labour was created in the Government of India. As in the U.K., its activities continue to expand. If there are any who doubt whether the need for a strong Ministry of Labour is equally important in peace time as in an emergency, this book, though relating to another country, may well provide the answer.

I commend this excellent book to those interested in the administrative machinery of Government and equally to those interested in labour and social problems.

V.K.R. MENON

ADMINISTRATION: ITS PURPOSE AND PERFORMANCE; By ORDWAY TEAD, New York, Harper & Brothers, 1959, xii, 79p., \$2.50.

The titles given to the three lectures delivered by the author in February 1959 as Ford Distinguished Visiting Professor at the School of Commerce, Accounts, and Finance, New York University, which make this book, would themselves suggest the philosophical approach to the subject of administration to be found in this highly-stimulating but not at all an easy to read book. As Dean Thomas L. Norton says in the 'Foreword' to the book, "in this volume the reader will find neither tricks of the trade nor short cuts to administration, and no infallible routine rules to follow. On the other hand, if he is interested in the idea of administration itself, of its place among great contemporary ideas, and of administration in terms of personal performance, these lectures hold great promise of usefulness".

The three lectures have been woven round the central idea of the great value of democracy to humanity, of democracy's utmost regard for the dignity and worth of the human personality and the responsibility of administration for preserving

and further flowering of democracy. Thus the author leads to his conclusion that "administration is a moral act and the administrator is a moral agent".

Like all pioneers in the field of ideas Ordway Tead is quite a bit ahead of his times, but this does not reduce the usefulness of this book as a stimulant to thinking of those who in administration have grappled with big problems, faced big situations and have been pondering on them in the quest for answers that go beyond the present.

The author has considered his subject largely with reference to business and industry, but much of what he has said applies equally to Public Administration and government. In fact I feel that his thesis that "administration is a moral act and the administrator is a moral agent" has great relevance for the kind of transformation which is needed in our Public Administration to make it suitable for the Democratic Welfare State which we are building in this country.

In the first lecture the author has given his meaning to the great ideas—science, democracy, power, authority, leadership, selfhood, equality, freedom, and love—which are aspects of life that confront administration. For administration is concerned with men, and the author has deep regard for the dignity and worth of the human personality and these great ideas have much to do with how men act and react upon each other.

In the second lecture the author has dealt with the basic elements in the administrative idea, which according to him are (1) planning, (2) organising, (3) staffing, (4) initiating, (5) delegating, (6) directing, (7) overseeing, (8) co-ordinating, (9) evaluating, and (10) motivating. He points out that the method of organising at the top in relation to the middle and the bottom vitally influences the smoothness of relations; that a happy personnel in the top brackets of the organisation is all-important in determining the tone, temper, and tempo of the entire outfit; that initiative stands opposed to indecision and vacillation in embarking on a course of action and here is where courage and self-assurance are indispensable; that delegation of responsibility and authority has to be as explicit and usually as generous as possible, but accountability has to be assured in some form of periodic reporting; that not merely to assure that the work is done but to assure that it is done in an atmosphere of agreeable, good-fellowship and good morale becomes the task of oversight.

The author has dealt with 'co-ordination', 'evaluation' and 'motivation' particularly well. Co-ordination he defines as "the effort to assure smooth interplay of the functions and forces of all the different component parts of an organisation

to the end that its purposes will be realised with a minimum of friction and a maximum of collaborative effectiveness". It is one of the best definitions I have come across. In fact one of the striking features of this book is the many very expressive and yet very brief definitions of ideas it contains. For example the definition of administration as "a variety of component elements which together in action produce the result of getting done a defined task with which a group of people is charged," or that "administration is the central power-house of the motivational impulsion and spirit which makes the institution drive to fulfil its purpose." A function he defines as "a nucleus of kindred and somewhat homogeneous duties so closely related in content and practice as to be best treated as a unit in terms of their performance, direction, and oversight". The author talks of a 'co-ordinative function', and points out the need for specialised planning and structuring to get good results in co-ordination. This has been our experience in running the community development programme, which, more than any other, focussed attention on the problem of co-ordination in administration. Co-ordination at the block level often proved futile because of bad planning and structuring of the administration at higher levels.

Pointing out further that there are bound to be conflicts of interest within any organisation and that their reconciliation never occurs spontaneously, the author emphasises the importance of personal contact and qualities. That the personal element is the most important in making or breaking the administrative effort in co-ordination is what we have found in the community development programme. To sound 'motivation' the author attaches great importance. He relates it to his

ideas of 'selfhood' and 'democracy'. He says "It is less what administrators do than why they do it that is the determinative factor in astute policy-making. In other words to elicit creative motives requires that administrators be themselves animated by creative motives". He makes a strong plea for what may be called "democratic administration" as distinguished from an "authoritarian administration". Our administration approximates more to the latter, but needs to be changed into the former, if we are to succeed in building up a Democratic Welfare State. I have the conviction that one of the important contributions which the community development programme is making is to promote slowly but surely this transformation in our administration, whatever other achievements it may or may not make.

In the last lecture the author relates the concept of administration with the qualities of the administrator and his performance. With his great attachment to democracy he naturally holds the view that the best administrator would often possess the characteristics of the best democratic leader and goes on to give the profile of the leader, quoting from "New Understandings of Leadership" by M.G. Ross and C.E. Hendry, as "Self-confident, well-integrated, emotionally stable individual; one who has a desire to lead and is willing, able and competent in a particular situation; who is identified with the norms, values and goals of the group of which he is a leader; who is warm, sensitive and sympathetic person, and able to help members in a practical way; who is intelligent relative to other members; and who is consistent in performing his leadership function...."

The account that follows is an excellent treatment of the subject

of leadership in administration viewed in the light of the author's own philosophy of administration. And he does argue the case that the best administrators must have a personal philosophy and comes back to his emphasis on the democratic aspect, to the administrator's "sincerity of his affection for people as individuals to be respected in their own autonomous dignity, his sense as part of true affection that people are to be treated as ends in themselves possessed of their own ends and not merely the means to the ends of others, including administrators". How well this applies to administration in the field of community development and how often we see these qualities absent in administrators at the highest level of organisational leadership who otherwise are very dynamic, go-ahead and able administrators. Having been intimately connected in recent years with the administration of the community development programme, I see great significance in Tead's powerful plea for having administrative heads "who find their careers full of creative opportunities to minister the invaluable creative drive of others, and to practise a democratic philosophy of active, participative consent at the several levels of purpose, principles, process, performance, and productivity". It is an equally powerful attack on the overbearing, dominating, strong-willed administrators who superficially judged seem to be promoting well the progress of the community development programme but in fact have been doing it incalculable harm. And unfortunately we have many of this kind.

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To the question whether the administrator should have ambition for material advancement, Tead's answer is "Yes, of course" and also, "certainly not". He explains this

thus: "Certain levels of material adequacy in living are essential to effective economic functioning; beyond that point they are an encumbrance to the spirit and a joy to the tax-gatherer. The rewards of labour are subjective and spiritual; on the other hand, the market rate of money compensation for specific kinds of posts, is to be insisted upon." From this standpoint he takes administration further into the moral sphere, contends that the administrator should also have the "courage to be wrong, as well as to stand alone for the right, to be different, to be humanely sensitive". He asks for a warm climate of faith in which magnanimity can flourish, not the Stoic's assertion of human self-sufficiency. He admits that his philosophy is relatively absolute not absolutely relative. For he finds "human values, ethical standards and moral criteria to be far less relative than some anthropologists have asserted. He regards the division of the affairs of men into secular and religious or spiritual as not a matter of kind but of attitude. "For the person willing to see the actual or potential rule of a Divine natural law actuating the process of being and becoming, life becomes infused with dignity, reverence, meaning, worthfulness. And the work of the world and the work of administrators collaborating in running the affairs of the human world is—or with the right attitude and outlook can be—an assignment of a sanctified sort." In his philosophy "the assignment to self-discovery, self-fulfilment or self-actualisation becomes a major mandate." He says, "be creative up to the height of one's powers and down into the depth of one's feelings and thought—this is the ethical command which seems to express our high summons".

And so the author concludes that "Administration is a moral act

and the administrator is a moral agent". The state of economic society emerging in the capitalist world, more particularly in America, "an economic society which many believe to be threatened with gigantism, with excessive centralisation, with stultifying bureaucracy, with lessening or even denial of the creative potential of men—both executive and operative", and this society being "pitted against an emotionally committed collectivist basis of operation in which productivity is being high pressured by totalitarian appeals", but at the same time deeply concerned over the future of democracy, have shaped Tead's philosophy of administration. And he thinks that "with the kind of personalised moral claims, motives, and appeals" which he has described, their economy can demonstrate that it is more truly productive. The community development programme with its faith in democracy, its belief in the dignity of the human personality, and in the capacity of the common man, is facing a similar challenge from the totalitarian method of developing an underdeveloped country. It needs the kind of administration which Tead has described.

Tead does not think that administration can be regarded as a profession today, but wants that it should acquire such status, build up its professional standards of practice and codes of ethical behaviour.

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The last part of the book devoted to "training for administration" I have found of much interest. Having lately been very closely connected with training for community development and reached some conclusions through my experience, I have been glad to find corroboration for these in what Tead has said, e.g., "that probably there is more of the

needful and valuable which cannot be taught than can", "that learning which can be reflective upon and evaluative of the actualities of specific problems as met is more effective learning", but that there is always need for a firm grounding in the general, that though "the character, aspects of administrative education cannot be ignored, yet they are to be advanced directly by neither lecture, exhortation, nor evangelical plead-

ing". Tead emphasises philosophical outlook pervading the study. To him "not so much what we are to do, as the why we do it, is the pertinent inquiry." In his view "the philosophical, the moral, the humanist emphasis in education supply the needful orientation" for the administrator. And so we are finding in community development programme too.

B. MUKERJI

THE PASSION FOR ANONYMITY; By LOUIS BROWNLOW, University of Chicago Press, 1958, 500p., \$7.50.

For one who has been so influential in American administration and in the promotion of public administration as an art and a science,—it has been said of Louis Brownlow, that, in the minds of men who run government and teach it, his status is probably only slightly below that of Homer's among the poets,—the title of this second volume of his autobiography may seem a little unexpected. But the author defends it. As he says, an administrator commits himself to a course of conduct in which acts are more important than precepts and the accomplishment of programmes infinitely more important than the projection of personality. And administration has been his passion in the latter period of his life. In earlier days it was, largely, journalism and politics and of that he has written in his earlier volume, 'A Passion for Politics'. This is an even more absorbingly told story.

1936 he was the Chairman of the President's Committee on Administrative Management whose report is as much a classic in the United States as the Haldane Report of 1918 on the Machinery of Government is in England. But these two events are only the highlights of a career which brought him into contact with innumerable important persons, including Wilson and Franklin Roosevelt, and took him far and wide in the world in the course of his many-sided activities. Mr. Brownlow's accounts of his impressions of, or work with, leading figures in the public and academic world of his time, both in the United States and Europe, makes most absorbing reading, told as they are with an infectious humour and many revealing anecdotes.

The book begins with his appointment as Commissioner of the District of Columbia in 1915, followed by four city managerships, and then came the two most important events of his life. From 1931 to 1945 Mr. Brownlow was the Director of the well-known Public Administration Clearing House at Chicago—he was one of its founders—and in

Students of public administration in India will find particularly instructive what he has to say on the Public Administration Clearing House, the Social Science Research Council and the President's Committee on Administrative Management. All those who have visited '1313' Chicago, know personally of the unique services rendered by the Public Administration Clearing House first under Mr. Brownlow, helped by the late Professor Merriam and others, and then under

Mr. Herbert Emmerich, in the establishment (in 1930) of a centre round which are clustered organisations of public officials and citizens intimately concerned with the improvement of the techniques and methodology of governmental operation without, however, a hierarchical structure for itself or membership or any technical services directly rendered by itself. But the end of the Clearing House in 1956 is not satisfactorily explained in the book. All that it says is that, in 1956, none of the big foundations having seen their way to make further grants to it, it was decided to close down and transfer its activities to other bodies established in '1313', particularly the Public Administration Service. Why further grants were not coming, it is not clear. With the Social Science Research Council, set up mainly on the initiative of Merriam, Mr. Brownlow's principal association with it was as a member of its Commission of Enquiry into Public Service Personnel; its report was published in 1935. The Commission was an attempt by a private organisation in the U.S.A. to do the work usually done in England

and the Commonwealth Countries by Royal Commissions in testing and sampling public opinion on questions of public importance; and the report remains a most valuable one in its field. The 1936 President's Committee on Administrative Management had Mr. Brownlow as its Chairman, and Merriam and Dr. Gulick as members. The report has had a profound influence on the subsequent reorganisation of the top management in the Federal Government and, in particular, in the establishment of the Executive Office of the President. The Committee's theory was that 'The President needs help' to make his power commensurate with his responsibilities. It is evidently a problem of continuous importance in other executive systems as well.

Dr. Hutchins once described Mr. Brownlow's work for public administration as that of an "ambassador-at-large, minister without portfolio, professor without chair", and no words could better describe the achievement.

V.K.N. MENON

ORGANISATION & METHODS—A Service to Management; Ed. By G.E. MILWARD, London, Macmillan & Co., 1959, xxxii, 408p., 63s.

The purpose of the book, as stated by the author, is to provide training material for those employed in O & M service in industry and business. It is meant to be used as background reading for illustration and demonstration of the practical considerations that arise under the subjects dealt with. The material in this book is said to be the result of some years of essentially practical experience of Organisation & Methods on the part of 9 world-famous companies, which form the O & M training council in U.K., and the reasons for writing this book are said to be the shortage of trained O & M men.

It is correctly stated that the techniques of O & M cannot be learnt by merely reading this book or similar literature on the subject. The following brief suggestions are noteworthy :

Several years of business experience are desirable before taking O & M training.

Several months of actual O & M assignment work will prove a very valuable background for training.

Apprenticeship to an experienced man before, and after, training will give excellent results.

Experience in O & M work would support the interesting observation that it may be embarrassing to discover that quite important practical points which teachers of O & M may wish to communicate appear obvious in print, even though they are often overlooked in practice.

The broad scope of the book is outlined in the Introduction as : the simplification of the work; measurement, layout of the work and sampling; instructions on how to carry out an assignment; managing O & M staff and their work; understanding and simplifying organisation; and finally, certain background subjects which can be applied at different stages of the work. The next introductory chapter deals with the foremost approach in O & M, viz., Challenge of Purpose which according to the author involves Organisation, Management and Methods. The rest of the book is divided into nine chapters.

While the O & M Officer will be generally familiar with the subjects covered by this book, he may not be very familiar with the subject of office machines said to produce significant economies in the work of large office organisations and whose variety is ever growing. This book contains a good amount of knowledge on the use of office machines, which is indeed its most conspicuous feature as compared to the usual type of literature on O & M. It is not furnished as an advertisement for the manufacturers of modern office machines. In fact, the author clearly states that some years will have to elapse before the use of a particular computer for a particular management job, or a group of management jobs, can be justified on strict grounds of economy. To us in India, by and large, this material will be more or less of informative value only.

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In his arrangement of the subjects, it is difficult to appreciate the author's choice of placing material regarding 'Justification' and 'Place of O & M' under the chapter heading : 'The Management of O & M Work' and as regards 'The Study of Purpose' under 'Organisation' in a later part of the book when these should be dealt with, as has been done in the introductory parts, at the very beginning, to introduce both the O & M worker and the Manager as to what is O & M about. Similarly, what is Organisation and Management should be explained at early stages. The author, in his treatment of the subjects of which the O & M Officer should have knowledge, compounds Organisation and Management under the word 'Organisation', although in the introductory material he does make clear distinction between the two. The treatment of the two subjects, i.e., Organisation and Management, is generally separate. The Management functions of planning and control are not easy to handle. Defective discharge of these two functions can considerably increase work resulting in inefficiency notwithstanding the most efficient methods, machines, and men howsoever most willing to work. It is, therefore, very necessary that the concepts of planning and control should be properly defined and adequately explained, and the most useful practices in regard to the two lucidly stated.

It would also be more appropriate if the question of improving quality is given distinct and separate treatment. The subjects listed under the last chapter heading : Background Subjects, could more appropriately be distributed to other chapters, e.g., Statistical Sampling could come under Work Measurement, and the Work Place : design of office buildings and environment, motion economy, office layout—Functional

Furniture—could come at appropriate place under the chapter heading 'The Simplification of Office Work', and 'Management Information' could come under Functions of Management as a part of the proposed separate chapter on Management.

The book does not give bibliographical references except at the end of the chapter dealing with Field of Office Machinery and in regard to the matter on Statistical Sampling. The value of the book can perhaps be considerably enhanced if good bibliographical references are given at the end of each chapter if not at the end of each sub-chapter. It appears that a book of this type could be made more useful if typical case studies were given at the end of important conclusions to strengthen conviction in them. The book could also give useful illustrations of the savings in the areas of office work investigated to support the points made, and advice as to what specific areas to look into generally for useful investigation, though some suggestions are given. The book could serve as better teaching material if the subjects were to be introduced and explained by stating first the actual business and office situation as generally seen.

Distinction is made between Organisation and Methods, and Work-study, the technique of Work-study, comparatively being considered as one that is more concerned with factory floor than office work. This is archaic. The rational definition of Work-study could well be to study every type of work wherever performed in all its aspects. The concept should cover Organisation, Functions of Management, Methods and Procedures including work measurement and reasonable yardsticks. And there is no reason why O & M with its objective of highest efficiency should cover a lesser scope. The broad scope

of O & M or Work-study with identical objective, ought to be the same.

The author, while agreeing that the techniques of time and motion study may not be immediately transferable from the factory floor to the office desk on account of perhaps the decision factor involved in most office work, advises that the experienced O & M investigator must have in his mind or in his note-book a series of 'acceptable' optimum standards for any clerical operation which he is studying and he should know what can be done under good conditions, with good material and good staff, if he is to raise the level of output. It is interesting to note that some companies have, therefore, measured and timed office work in some detail so as to form a basis for better training, better supervision and better O & M standards. Another noteworthy observation is that the application of direct financial incentives to office work is limited, but some measurement is essential everywhere. There is considerable amount of recorded experience on measurement of office work. Reasonably precise office job standards and fair functional norms have perhaps been worked out for different types of office activities. A book of this type could appropriately describe such experience.

While mentioning technique of operational research, it would have perhaps been better if the author had given a fairly brief description as to what it is, particularly as he mentions the question of relationship between the content of O & M and other techniques concerned with improving effectiveness and efficiency. It is not enough to say that the essential difference between operational research department and the other is that the problems they deal with are usually broader in scope and more mathematical in character.

Reference is made to management audit as an additional service without giving some detailed statement of its practices and methods. An important aspect in management audit study is the question of measurement of management which indeed would appear to require separate treatment.

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The book has several merits. The author is not dogmatic nor does he lean in favour of any particular theory or try to develop one. Both pros and cons are dispassionately stated. An outstanding feature of the book is that it gives lists of relevant factors to be taken into account and of advantages and disadvantages in regard to alternative methods or machines. An excellent guide is provided for crystallising the O & M problem, by listing a number of questions under the broad headings : Understanding the Problem, Devising a Plan, Testing a Solution. In these respects even for the O & M expert, who in spite of his great experience can overlook an important factor or point, the book has a good value. Good material is given on Supervision, Aids to Supervision, Duties of the Supervisor, Supervisory Qualities; all the factors or elements being properly listed.

A very pertinent observation is that the greatest value to be derived from efficiency studies is the promotion of efficiency-mindedness. The author rightly states that efficiency is only really produced when it becomes an attitude of the mind in every single person concerned with the undertaking; and, like liberty, it is one of those conditions which can be assured only by eternal vigilance and is not something that can be produced once and for all by the formulation of rules and introduction of new methods.

The author resolves the idea of efficiency into three parts : (1) Technical efficiency; (2) Managerial

efficiency, covering the whole gamut of good management, *i.e.*, the achievement of the objective with the minimum use of resources; and (3) Personal efficiency, *i.e.*, the element combining knowledge, personal ability and the 'will to work'. This could be helpful in measurement of efficiency.

A somewhat controversial issue is raised as to whether the efficiency study should start at the top or at the bottom. The author's view is that efficiency study should begin lower down for the reason that the first task is to ascertain work and not argue about work policy; of course, if manifest and serious inefficiency continues at middle and bottom levels, it may be due to inefficiency of policy at the top and drastic action may be indicated.

Broadly, efficiency relates to the work and the worker. Dealing with the latter, interesting material is furnished on psychology of human behaviour under the caption 'Human Considerations' as an important part of the chapter on 'Organisation'. To what extent this should be covered by the scope of O & M, the author states that—"O & M can, on occasion, do something to put the 'externals' right when they seem to be wrong but can do very little, if anything at all, about the 'internals'. Some of the 'externals' that may be varied to advantage are : monotony and interest; difficult or simple work; the size of the working unit; the size of the group; the allocation of duties; misuse of staff, particularly in faulty allocation of work. And some of the 'internals' which may or may not be studied and improved upon, are : relations between the Board and the management; relations between management and supervisors; relations between supervisors and operatives; relations between each of the different levels; square

pegs in round holes; opportunities for advancement *versus* frustrations; over-specialisation, whether on too small a job or for too long a time." The author rightly observes that any work of reorganisation demands a sympathetic understanding of the attitudes that are not easily changed. Efficiency by itself is a measure of things mechanical, and organisation in contrast is very human. In doing O & M work the risk of upsetting staff is considerable.

These ideas reflect what the author states practical considerations of O & M work with which the book is concerned. But, all such considerations alone do not furnish complete answer to the problem of efficiency. It is the business of the manager or administrator to tackle the problem from all angles; and, therefore, he must pay sufficient attention to the worker, that is, he must develop and implement right policies of selection, training, and development of the worker to the extent of inspiring him to highest, useful endeavour.

The author makes more noteworthy observations. No two companies do O & M work in exactly the same way. The emphasis will be different according to the immediate needs of the company and the particular work upon which it is engaged. Sometimes the approach is heavily conditioned by the history of the unit concerned, however short that may be. Most O & M Departments in companies have a 'follow-through' system to ensure that the next stage of implementation takes place within reasonable time—this, to comment, is worth good consideration by administrative O & M. O & M must introduce new procedures and in some cases remain until they are working satisfactorily—to

comment once again, this should be tried by administrative O & M. Since O & M has no responsibility in its own right, any executive authority given to it is temporary and for the specific purpose of putting into effect certain changes in the name of and under the responsibility of the management. There may occasionally be a case for giving direct authority for a limited period to achieve a limited objective, in particular when new techniques or new work is involved.

One will readily agree with the conviction of the nine companies that every company should set aside some time for the examination and improvement of its existing organisation and methods to achieve better efficiency, that is, greater quantity and higher quality in relation to the objectives in view, and keeping an eye on economy at the same time.

The author's view that the material for O & M requires constant development and that, in this field of activity, nothing can be static, is most pertinent. Equally important is his advice that O & M does not exist for O & M's sake; it will only continue to exist if it is worthwhile, and pays its way. Therefore, some evaluation of the service is necessary together with a check on cost.

The foregoing naturally applies to administrative office work where the ever increasing paper work is in fact a permanent problem.

On the whole, except for minor repetitions and unintended over-elaboration, the book is written in simple, comprehensive style, and could be considered a useful addition to O & M Library.

G. P. SHAHANI

BOOK NOTES

COMPARATIVE STUDIES IN ADMINISTRATION; Ed. By JAMES D. THOMPSON AND OTHERS, Pittsburgh, University of Pittsburgh Press, 1959, xiv, 224p., \$6.00.

This is the first—a highly illuminating and valuable volume—in a series of such volumes to be published by the Administrative Science Center, University of Pittsburgh, U.S.A., on the study of administration as a distinct and identifiable social process in different types of institutional areas. These areas include manufacturing, mining and shipping industries; higher education; hospitals; and military and social welfare organs of Government. The book includes in all twelve essays, two of which (the first and the last) are exclusive to the volume and the other ten have already been published during the past five years in important American journals, like *Administrative Science Quarterly*, *American Journal of Sociology*, *American Sociological Review*, etc. The authors in the volume represent several branches of the social and behavioural sciences, including anthropology, economics, industrial management, sociology, and social psychology.

The object of the book is to contribute towards our understanding of the universals of administration as they occur in many institutional settings. In addition to seeking the constants or universals in administration the volume seeks to add to our knowledge by according a broad role to the variables in the administrative process. In its purpose it accepts the basic proposition that after we examine the variables we

will have a clearer understanding of the universals of administration. Mr. Edward H. Litchfield, Chancellor, University of Pittsburgh, in the 'foreword' further emphasizes that the institutional size and complexity which make the process important also encourage specializations which make it difficult to achieve either the breadth of understanding, or more particularly the breadth of behaviour, which the process requires.

The first essay entitled "On the Study of Administration" by Peter B. Hammond and others, an original contribution prepared especially for the book, deserves special notice. It defines administrative activity as activity related to the creation, maintenance, or operation of an organization as an organization. Administration is concerned with those kinds of collectivities which exhibit sustained activity; are part of a larger system; have specialized purposes; and are dependent upon interchange with the larger system. The three major functions of administration relate to structuring of the organization, definition of purpose and management of the organization-environment exchange system. The study of administration is mainly concerned with identifying patterns of administrative action and discovering their association with the functions of administration. Administrative science cannot, however, rest with the discovery of association or correlation. Ultimately the study of the administrative process—of how particular patterns bring about particular functional consequences—will be essential, and vice versa. While the cultural dimension undoubtedly is essential to our understanding of

administration, the comparative study of administration cannot be limited to cultural comparison alone. "If organizations differ in structure, we must seek to understand why this occurs and how it affects the contexts of administration. If organizations differ in purposes, we must examine the effects of purposes on other aspects of administration. If organizations operate in different kinds of environments, we must learn how environments impinge on and shape organizations, administrative functions, and administrative processes."

The last chapter (No. 12) on "Strategies, Structures, and Processes of Organizational Decision" by James D. Thompson and Arthur Tuden—also an original article—contains an attempt to show (1) that there are several types of decisions to be made in and on behalf of collective enterprises; (2) that each type of decision calls for a different strategy or approach, (3) that there are several varieties of organizational structures which facilitate these several strategies; and (4) that the resulting behaviour defines variations in decision processes. A sociological model is suggested for studying decision processes in organizations, by identifying four major types of decision issues and pairing them with four major strategies for arriving at decisions. For each strategy there is proposed an appropriate structure. The four major strategies discussed are: computation, judgment, compromise, and inspiration. The general proposition put forward is that an important role of administration is to manage the decision process, as distinct from making the decision. It is not suggested that administrators do one to the exclusion of the other, but if issues are not automatically crystallized, the ideal structural constraints are not automatically present, or appropriate decision units are not automatically

selected, it may fall to administrators to take action which will facilitate decisions. When there are many alternatives available, a role of administration is to provide machinery for elimination of all but a few.

PARLIAMENTARY CONTROL OVER STATE ENTERPRISE IN INDIA ; By C.P. BHAMBHRI, Delhi, Metropolitan Book Co., 1960, 115p., Rs. 8.00.

The book, written originally as a doctoral dissertation, examines the problem of parliamentary control over state enterprises in India in the broader perspective of the different forms of state enterprises, ministerial control, financial control, audit control, etc. The treatment of the subject, though not exhaustive enough, is well-organised and richly annotated. The author pleads for a balance between enterprises autonomy and parliamentary control and for greater delegation of powers by Parliament to the Executive, and by the Executive to the managing director. An examination of the present methods of control (Chapter V) indicates that ample opportunities are available to the Members of Parliament for the review, scrutiny and examination of the working of various state enterprises in India; but these have not been fully utilised. Parliamentary control over Ministers should not be so excessive as to compel them to interfere in the detailed administration of the Corporations. The Ministerial control actually exercised over a particular enterprise will partly depend on the extent of the latter's responsibilities, on the political 'sensitivity' of its operations, and on its financial relations with the Government. It is rightly feared that, in the absence of positive qualifications, appointments to the board of directors may be made by Ministers on the basis of

other considerations, such as political patronage.

Deprecating the present growing practice of influencing the members of the board of directors through informal communications rather than through the issue of written directives, Mr. Bhambhri points out that Parliament, being unaware of the nature and results of 'behind-the-scenes' Ministerial influence, cannot question such Ministerial action. The public enterprises need not be defended for all their failures all the time by the Minister in charge. The 'company' form should not be used as a screen to protect from the light of publicity and the arrows of justified criticism the operations of an irresponsible and power-hungry bureaucracy. Parliamentary control over state-owned companies should be properly defined, and it should be seen that the companies do not evade that control. Parliamentary control can be made more effective by allowing Members of Parliament to obtain information directly by writing to the Board Members, as is the case in England; by making annual reports of enterprises more informative and intelligible; and by attaching to the Secretariat of Parliament a Section on Public Enterprises where all available information concerning the working of various enterprises may be available to M.Ps. Statements from Ministers about the affairs of the Corporations should be available where questions are not admissible.

The author is opposed to the creation of a Parliamentary Select Committee on Public Enterprises, as detailed parliamentary control over the non-departmental enterprises at the present stage of their adolescence will act as a curb on exercise of initiative and willingness to take risks. He also views with disfavour the Estimates Committee's (First Lok Sabha) recommendation (contained

in its Sixteenth Report) for the establishment of advisory committees to advise the managing directors of the Corporations, because these may not confine themselves to advisory functions but tend to interfere in day-to-day working of the Corporations. Again, the presence of the financial adviser, as a watch-dog of the Government, with the power to refer the differences directly to the Government, tends to create interference in the day-to-day matters of the Corporation by the Government,—a state of affairs which is most undesirable. The Government should accept in practice the position that the financial control of state enterprises has to be different from that of a 'normal' Government department. The budgeting should be triennial and not annual. The audit of public corporations should be done not by the Comptroller and Auditor General but by commercial auditors whose reports should be later on reviewed by Parliament, through its Committee on Public Accounts. For some time to come India at present cannot afford to have an external efficiency audit by a semi-independent body, because of the dearth of qualified and experienced personnel. The officials of Government taken into state enterprises should retire and sever their connection from their parent services so that they are beyond the pale of direct or indirect influence of their parent departments.

MR. BUREAUCRAT; By KARL HELDEN, New York, Greenwich, 1957, 188p., \$3.00.

The book attempts to portray the true story of the U.S. Federal Civil Service during the New Deal - Fair Deal era, as revealed by a cross-section of letters from the people to the U.S. President and the departmental communications of the administrators of the new agencies.

The letters in particular relate to the Works Progress Administration, the Agricultural Adjustment Administration, the Federal Surplus Relief Corporation, the (Rural) Re-settlement Administration, rehabilitation and land purchase programmes), etc. These letters portray "the suffering, distress, hope, disappointment, gullibility, meanness, arrogance, conceit, missionary spirit, and neighbourliness of an erstwhile happy people." They show that there was a great difference between Washington promise and field performance; when the programmes that were formulated in Washington failed in the field, the citizen's criticism was directed not against the President and his immediate aides, but against the administrators. The letters also indicate the source of the President's knowledge of public opinion, whence arose, perhaps, his assurance of success in his undertakings.

Planning, experimenting, re-making and blundering were salient characteristics of New Deal officialdom in the early stages of its ascendancy. For the administrators the philosophy of the New Deal seemingly was : Do something; do it again if it works; do something else if it doesn't. To support their programme, the "bureaucrats" relied heavily on the instruments of the publicist—they not only looked for spontaneous local support but tried to mould the public opinion. The aim, apparently, was to influence Congress and so perpetuate projects that were at first designated as temporary. The outward impression given, however, was that all initiative and all urging for new programmes and new appropriations came from the public and not from the New Deal agencies.

The relief works under the W.P.A. showed by degrees its debilitating effect. There was no dignity in work relief jobs, no pride of craftsmanship,

no incentive to become somebody or to be self-sufficient. Under the land purchase programme, many once independent farmers were induced to sell their lands, only to drift into the cities where they became recruits for the large army of relief workers. On the other hand the rural rehabilitation programme became a unique and most welcome service to rural communities, and one of the best managed activities in the Federal Government.

The New Deal programmes inevitably produced a new breed of civil servant: the 'empire builder', the ambitious administrator for whom the democratic processes move too slowly, who must ever explore the possibilities of doing this or that for the sake of 'progress', changing things that need no changing and helping those who need no help. The empire builder is careful not to fight for lost causes, or to fight for anything at all, except his own promotion. First of all he seeks to find out what the head of the agency thinks or can be made to think and then he plans his action accordingly. He builds around himself the myth of the indispensability of his service, rewrites reports and other papers prepared by his subordinates, and manages to have things not done on time, even in urgent cases, thus creating the impression that there are so many important matters demanding his attention that delays are unavoidable. The empire builders have working for them a spoils system that operates under the benign protection of the Civil Service Commission. The author believes that in any dispute between the two individuals, the U.S. Civil Service Commission takes care always to sustain the man on top, no matter what the merits of the case might be.

Thus there emerge two aspects : the agency as it actually exists and functions, and the agency as it is

portrayed in fictional descriptions of it. The solution, it is recommended, lies in staffing the heads of the bureaux and comparable administrative units by political appointees, in bringing the special know-how of every employee to bear upon the day-to-day business of the Government and in establishing a neutral body before which the average employee may speak his mind boldly about the conditions as he sees them.

MEASURING THE RESULTS OF DEVELOPMENT PROJECTS;
By SAMUEL P. HAYES, Jr.,
Unesco, 1959, 100p.

The book, though primarily a guide for evaluators for measuring the results of development projects, reveals the vast dimension of the problem and the cumulative character of benefits accruing from such a measurement. The author feels that assessment of project results will not only lead to better guidance for the community affected, the expert, the administrator, and the responsible organisation but may also bring about heightened understanding of the social processes involved in economic and cultural development in particular areas and cultures. Unless people are able to understand what is happening to them and what, in turn, they are causing to happen much of the value of development in a democratic society may be lost. The ultimate test to be applied is whether or not a project generates its own continuing and expanding activity. Changes, which are of strategic importance in transforming a traditional social system into one characterised by a self-sustaining process of technological advance, have been grouped under three major heads, as they affect primarily individuals, social relationships and social overhead capital.

Dr. Hayes attempts to demonstrate

how certain social science measurements can be adapted to help field workers assess initial conditions before a project is begun; to measure the extent to which various attempts at producing social changes have been successful; to determine the overall result of social development schemes; and to identify the factors that are important in influencing the success of programmes of social change. He emphasises that unless the objectives of a development project are stated explicitly and explained to the persons involved, people having different interests may perceive the project quite differently and as serving different goals. Unanticipated effects are sometimes so important for administration and for subsequent planning that it may be desirable to make special efforts to determine their relationships to project operations. A good deal of light on the depth and enduring character of the project's impact, and on the likelihood that its effects will continue and expand, can be secured by gauging people's attitudes during and at the end of the project. A relatively inexpensive method of collecting data may be 'built in' the development project itself. Data collection should as far as possible be handled by the people actually involved in the process of change. Base-line data designed to permit later measurement of project results are most valuable, if collected early, before any operations are initiated. The cause-effect relationship between the project and the change may be assessed by comparing the situation at present in an activity, area or group directly affected by the project, with : (a) the situation at present in a comparable activity, area or group not affected by the project, and (b) the regional or national situation (in cases where the project can be expected to affect only a small part of the region or nation). Project results

may indicate the need for changes in project operations. Well-planned record keeping and collection of other data can help to reduce total administrative costs and increase the efficiency of administration.

AMERICAN UNIVERSITIES AND FEDERAL RESEARCH; By CHARLES V. KIDD, Cambridge, Harvard University Press (Belknap), 1959, xi, 272p., \$6.00.

The book examines how large-scale financing of research in the American universities by the U.S. Federal Government has set in motion irreversible forces that are affecting the nature of universities, altering their capacity to teach, changing their financial status, modifying the character of parts of the federal administrative structure, establishing new political relations, and changing the way research itself is organised. More than 70 per cent of all research conducted by universities is financed by the federal government. This proportion varies from more than 90 per cent in physics and mathematics to 25 per cent in the social sciences. About 99 per cent of the federal research funds for research in universities are provided under the statutory research charters of five agencies: the Department of Agriculture, the Public Health Service, the National Science Foundation, the Atomic Energy Commission and the Department of Defence. The federal agencies use two means—the *purchase* of research and the *support*

of research. The agencies have a virtually free hand in determining a number of policies that are as important to universities as the substance of research, as also the size of grants and contracts and the extent to which university facilities will be used. Federal research funds are highly concentrated in a few universities; the Department of Agriculture, however, has a geographically diversified research structure.

The author concludes that university research in virtually all fields is more extensive, and in most fields of higher average quality, as a result of the availability of federal funds. The size and complexity of the total research effort have not stifled the individual research. The pressures exerted by individual federal agencies to increase the quantity of research of interest to them have been in large part nullified by the number and variety of pressures from all agencies combined. Both universities and federal agencies have adjusted structurally and functionally to rapid and extensive changes.

Mr. Paul E. Klopsteg, in the Foreword, however, sounds a cautious note about the ready acceptance by some universities of the restrictions and onerous requirements imposed by some procurement contracts for research services. Among some scientists and administrators the effect has been to induce a sense of ease because of the prospects of securing plenty of money to finance all kinds of research.

